

## 2022 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE

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**PURPOSE STATEMENT**

The Rural Housing Service’s (RHS) programs are authorized by the Housing Act of 1949, “Housing Act”, as amended, and the Cranston-Gonzalez National Affordable Housing Act of 1990. The community facilities programs are authorized by the Consolidated Farm and Rural Development Act of 1972, “CONACT”, as amended. The purpose of RHS programs is to implement, sustain, and advance the provisions of Section 2 of the Housing Act, which states in part: “...the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development... and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation...”

RHS offers housing and community development programs that include Community Facilities (CF) programs to fund essential community facilities, Single Family Housing (SFH) programs to fund individual homeownership, and Multi-Family Housing programs (MFH) to assist low income individuals and families in obtaining affordable, rural rental housing.

All the programs administered by the RHS support USDA Strategic Goal 4: Facilitate rural prosperity and economic development; Objective 4.1: Expand rural business opportunity and rural quality of life with access to capital; improved infrastructure; broadband access and connectivity; and support for workforce availability.

Section 502 SFH Guaranteed Loan Program — Authorized in 1990 by the Cranston-Gonzalez National Affordable Housing Act, this program provides low- and moderate-income borrowers access to mortgage credit by providing loan guarantees to agency-approved private-sector lenders. This program currently guarantees loans at 90 percent of the loan principal.

Section 502 SFH Direct Loan Program — Authorized by the Housing Act, this program provides fixed-interest, direct loans that enable low- and very low-income families unable to obtain credit elsewhere to purchase, build, repair or renovate modest homes in rural areas. Mortgage payments are subsidized so as not to exceed 24 percent of a borrower’s adjusted income.

Section 504 SFH Housing Repair and Rehabilitation Loans and Grants Program — Authorized by the Housing Act, P.L. 89-117, P.L. 89-754, and 42 U.S.C. 1474, this program provides loans and grants for very low-income and elderly borrowers who own and occupy a home in need of repairs to remove identified health and safety hazards or to make homes accessible for household members with disabilities.

Section 523 SFH Mutual Self-Help Grants Program — Authorized by the Housing Act, P.L. 89-117, P.L. 89-754, and 42 U.S.C. 1490c, this program provides two-year technical assistance grants to allow qualified nonprofit organizations and public entities to help very low- and low-income individuals and families work cooperatively to build their own homes by the self-help “sweat-equity” method or complete essential repairs for very low-income homeowners.

Section 523/524 SFH Rural Housing Site Loans -- Authorized by Sections 523 and 524 of the Housing Act of 1949, 523 loans are used to acquire and develop sites only for housing to be constructed by the Self-Help method. Section 524 loans are made to acquire and develop sites for low- or moderate- income families with no restriction as to the method of construction.

SFH Credit Sales Program — Authorized under provisions of the Housing Act, RHS offers Section 502 direct loan financing at non-program rates and terms to buyers purchasing USDA Real Estate Owned (REO) properties. Loan terms range from ten years for investors to a maximum of 30 years for public and private nonprofit organizations providing transitional housing, or to purchasers intending to occupy a property.

MFH Rural Rental Housing Direct Loans Program — Authorized under the Housing Act, P.L. 102-550, and 42 U.S.C. 1485, 1490a, this program offers direct loan financing to purchase, construct or rehabilitate affordable rental or cooperative housing, or to develop manufactured housing projects for very low-, low- and moderate-income residents. Funding may also be used to provide approved recreational and service facilities appropriate for use in connection with the housing, and to buy and improve the land on which the buildings are to be located.

Section 514/516 MFH Farm Labor Housing Direct Loans and Grants Program — Authorized under Title V of the Housing Act of 1949, Section 514 loans and Section 516 grants are used to buy, build, improve, or repair on-farm or off-farm housing for farm laborers. All farm labor housing must be occupied by domestic farm laborers or retirees, or individuals deriving a substantial portion of their income from farm labor or food processing.

Section 521 MFH Rental Assistance Grant Program (RA) — Authorized under Title V, Section 521(a)(2) of the Housing Act of 1949, 42 U.S.C. 1490a, this program provides payments to owners of USDA-financed Rural Rental Housing or Farm Labor Housing projects on behalf of low-income tenants unable to pay their full rent.

Section 538 MFH Guaranteed Loan Program — Authorized under Title V, Section 538 of the Housing Act of 1949, 42 U.S.C. 1490, this program provides loan guarantees to qualified private-sector lenders for loans made to eligible borrowers for the purchase, improvement, and construction of multifamily rental housing for low- to moderate-income families and individuals in rural areas. Funding may also be used to provide necessary infrastructure and to buy and improve land.

Section 542 MFH Rural Housing Vouchers — Authorized by the Housing Act, P.L. 93-128, and 42 U.S.C. 1471 et. seq., vouchers are available to provide tenant protections in Section 515 properties prepaying mortgages after September 30, 2005, and Section 515 properties in foreclosure. Vouchers are portable and enable residents to seek tenancy elsewhere by offsetting the rent and utility costs at other rental housing.

MFH Preservation and Revitalization (MPR) Demonstration Loans and Grants Program – It is used to restructure loans for existing USDA Rural Rental Housing and Off-Farm Labor Housing projects to help improve and preserve the availability of safe, affordable rental housing for low income residents. MPR funding tools include debt deferral, soft second loans, zero percent loans, and grants to address a project’s exigent health and safety needs.

CF Grants, Direct Loans, and Loan Guarantees — Authorized under Section 306 of the ConAct, P.L. 92-419, and 7 USC 1926, these grants, loans, and loan guarantees provide affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as one that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial or business undertakings.

CF Rural Community Development Initiative Grants (RCDI) – Authorized under Section 306 of the ConAct, and governed by 2 CFR 200, this program enables public or non-profit intermediaries to provide a program of financial and technical assistance to recipients such as low-income rural communities, community-based nonprofit organizations, and federally recognized tribes to strengthen their capacity to assist beneficiaries in their communities.

CF Tribal College Initiative Grants – Authorized under Section 306 of the ConAct, this program provides funding to 1994 Land Grant institutions (Tribal Colleges) to purchase equipment and make capital improvements to their educational facilities.

CF Technical Assistance and Training Grants Program – Authorized under Section 306 of the ConAct, this program provides grants to public bodies and private, nonprofit corporations, (such as, but not limited to States, Authorities, and Indian Tribes), to provide training and technical assistance (TAT) to associations which then assist communities, Indian Tribes, and nonprofit corporations in identifying and planning for essential community facility needs in their areas.

RD is comprised of three programs: Housing and Community Facilities, Utilities, and Business and Cooperative Development. RD’s headquarters is located in Washington, DC. As of September 30, 2020, there were 4,441 full-time employees, including 529 in the headquarters office and 3,912 in the field offices.

#### **OIG AND GAO REPORTS**

***Table RHS-1. Completed OIG Reports***

<b>ID</b>	<b>Date</b>	<b>Title</b>	<b>Result</b>
04801-0001-23	08/14/2020	Duplication of Housing Assistance Programs	The purpose of the report was to identify the RHS housing programs and provide observations on fragmentation, overlap, and duplication. OIG did not identify any issues that would warrant recommendations. Therefore, OIG did not make any recommendations in this report.
04601-0001-41	06/24/2020	Single Family Housing Guaranteed Loan Programs Appraisals	Objective of report was to determine whether RHS had adequate and effective controls in place to ensure leaders and appraisers complied with agency and Uniform Standards of Professional Appraisal Practice (USPAP) requirements to guaranteeing a loan. OIG made five recommendations and accepted management decision on three of the five recommendations. Further action from the agency is needed before management decision can be reached on the remaining decisions.
04601-0003-31	02/07/2020	Multi-Family Housing Tenant Eligibility	Objective of the report was to evaluate RHS’ control over the tenant

ID	Date	Title	Result
			certification and recertification process, including income verification. RHS concurred with OIG’s recommendations and OIG accepted management decision on all 10 recommendations.

***Table RHS-2. In-Progress GAO Reports***

ID	Title
JC 102562	Housing and Related Needs of Older Adults – audit is currently suspended
JC 103394	Maintenance of Real Estate Owned REO Properties
JC 103627	National Flood Insurance Program (NFIP) Mandatory Purchase Requirement
JC 104284	Housing Finance System in the Pandemic
JC 104420	Implementing Funding Targets for Persistent Poverty Areas
JC 104380	Alternative Data in Mortgage Lending
JC 104472	The impact of exemptions to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) Title XI appraisal requirements on homebuyers and the safety and soundness of depository institutions

***ACCOUNT 1: RURAL HOUSING INSURANCE FUND*****APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

Rural Housing Insurance Fund program account

(including transfers of funds)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: [~~\$1,000,000,000~~]\$1,500,000,000 shall be for direct loans and [~~\$24,000,000,000~~]\$30,000,000,000 shall be for unsubsidized guaranteed loans; \$28,000,000 for section 504 housing repair loans; \$40,000,000 for section 515 rental housing; \$230,000,000 for section 538 guaranteed multi-family housing loans; \$10,000,000 for credit sales of single family housing acquired property; \$5,000,000 for section 523 self-help housing land development loans; and \$5,000,000 for section 524 site development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, [~~\$55,400,000~~]\$27,900,000 shall be for direct loans; section 504 housing repair loans, [~~\$2,215,000~~]\$484,000; section 523 self-help housing land development loans, [~~\$269,000~~]\$55,000; section 524 site development loans, [~~\$355,000~~]\$206,000; and repair, rehabilitation, and new construction of section 515 rental housing, [~~\$6,688,000~~]\$3,576,000: *Provided*, That to support the loan program level for section 538 guaranteed loans made available under this heading the Secretary may charge or adjust any fees to cover the projected cost of such loan guarantees pursuant to the provisions of the Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), and the interest on such loans may not be subsidized: *Provided further*, That applicants in communities that have a current rural area waiver under section 541 of the Housing Act of 1949 (42 U.S.C. 1490q) shall be treated as living in a rural area for purposes of section 502 guaranteed loans provided under this heading[: *Provided further*, That of the amounts available under this paragraph for section 502 direct loans, no less than \$5,000,000 shall be available for direct loans for individuals whose homes will be built pursuant to a program funded with a mutual and self-help housing grant authorized by section 523 of the Housing Act of 1949 until June 1, 2021: *Provided further*, That the Secretary shall implement provisions to provide incentives to nonprofit organizations and public housing authorities to facilitate the acquisition of Rural Housing Service (RHS) multifamily housing properties by such nonprofit organizations and public housing authorities that commit to keep such properties in the RHS multifamily housing program for a period of time as determined by the Secretary, with such incentives to include, but not be limited to, the following: allow such nonprofit entities and public housing authorities to earn a Return on Investment on their own resources to include proceeds from low income housing tax credit syndication, own contributions, grants, and developer loans at favorable rates and terms, invested in a deal; and allow reimbursement of organizational costs associated with owner's oversight of asset referred to as "Asset Management Fee" of up to \$7,500 per property].

In addition, for the cost of direct loans and grants, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, \$32,000,000 to remain available

until expended, for a demonstration program for the preservation and revitalization of the sections 514, 515, and 516 multi-family rental housing properties to restructure existing USDA multi-family housing loans, as the Secretary deems appropriate, expressly for the purposes of ensuring the project has sufficient resources to preserve the project for the purpose of providing safe and affordable housing for low-income residents and farm laborers including reducing or eliminating interest; deferring loan payments, subordinating, reducing or re-amortizing loan debt; and other financial assistance including advances, payments and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary: *Provided further*, That the Secretary shall as part of the preservation and revitalization agreement obtain a restrictive use agreement consistent with the terms of the restructuring: *Provided further*, That any balances, including obligated balances, available for all demonstration programs for the preservation and revitalization of sections 514, 515, and 516 multi-family rental housing properties in the "Multi-Family Housing Revitalization Program Account" shall be transferred to and merged with this account, and shall be available for the preservation and revitalization of sections 514, 515, and 516 multi-family rental housing properties, including the restructuring of existing USDA multi-family housing loans: *Provided further*; That following the transfer of balances described in the preceding proviso, any adjustments to obligations for demonstration programs for the preservation and revitalization of section 514, 515, and 516 multi-family rental housing properties incurred in "Multi-family Housing Revitalization Program Account" shall be made in this account.

In addition, for the cost of direct loans, grants, and contracts, as authorized by sections 514 and 516 of the Housing Act of 1949 (42 U.S.C. 1484, 1486), [~~\$15,093,000~~]\$12,831,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts: *Provided*, That any balances available for the Farm Labor Program Account shall be transferred to and merged with this account.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$412,254,000 shall be [transferred to and merged with] paid to the appropriation for "Rural Development, Salaries and Expenses".

### **Change Description**

The first change (line 10 of paragraph 2) eliminates (1) the requirement that single-family housing direct loan level needs to be set aside for recipient's self-help housing grants, which is not needed given the increase in funding. It also (2) eliminates the proscriptive language directing USDA to provide specific return on investments or monetary incentives to entities acquiring ownership of USDA financed properties.

The second change (line 1 to 24 of paragraph 3) includes language for the Multi-family Housing Revitalization Program. The 2022 budget is requesting to move this program under the Rural Housing Insurance Fund program account. This move will facilitate preservation loan modifications of post credit reform multifamily housing loans, for which cash flows are linked to this account through the Rural Housing Insurance Fund Direct Loan Financing Account.

The third change (lines 2 of paragraph 3) reflects the preferred language for loan program administrative expense transfers and is in line with Federal Credit Reform Act.



**LEAD-OFF TABULAR STATEMENT***Table RHS-3. Lead-Off Tabular Statement (In dollars)*

<b>Item</b>	<b>Grants</b>	<b>Program Level</b>	<b>Subsidy</b>	<b>Administrative Expenses</b>
2021 Enacted	\$10,000,000	\$25,356,000,000	\$70,020,000	\$412,254,000
Change in Appropriation	0	+ 6,532,000,000	-2,968,000	0
Budget Estimate, 2022	10,000,000	31,888,000,000	67,052,000	412,254,000

**PROJECT STATEMENT**

*Table RHS-4. Project Statement Appropriations (thousands of dollars)*

Item	2019 Actual	BA	2020 Actual	BA	2021 Enacted	BA	Inc. or Dec.	BA	Chg Key	2022 Budget	BA
<b>Discretionary Appropriations:</b>											
Sec 502 SFH Direct Loans.....	\$1,000,000	\$67,700	\$1,000,000	\$90,000	\$1,000,000	\$55,400	+\$500,000	-27,500	(1)	\$1,500,000	\$27,900
Sec 502 SFH Guaranteed Loans.....	24,000,000	-	24,000,000	-	24,000,000	-	+6,000,000	-	(2)	30,000,000	-
Sec 515 MFH Direct Loans.....	40,000	9,484	40,000	12,144	40,000	6,688	-	-3,112	(3)	40,000	3,576
Sec 538 MFH Guaranteed Loans.....	230,000	-	230,000	-	230,000	-	-	-	(4)	230,000	-
Sec 504 Direct Loans, Very Low.....	17,749	2,167	18,168	3,036	28,003	2,215	-3	-1,731	(5)	28,000	484
Sec 524 Direct Site Dev Loans.....	1,898	67	-	-	5,000	355	-	-149	(6)	5,000	206
Sec 523 Self-Help Housing Land Dev Loans.....	-	-	-	-	5,000	269	-	-214	(7)	5,000	55
SFH Credit Sales.....	10,000	-	10,000	-	10,000	-	-	-	(8)	10,000	-
Sec 514 FLH Loans.....	27,500	6,853	28,000	8,739	27,999	5,093	+1	-2,262	(9)	28,000	2,831
Sec 516 FLH Grants.....	10,000	10,000	10,000	10,000	10,000	10,000	-	-	(10)	10,000	10,000
Preservation and Revitalization Demo.....	-	-	-	-	-	-	+32,000	+32,000	(12)	32,000	32,000
Administrative Expenses.....	-	412,254	-	412,254	-	412,254	-	-	-	-	412,254
Subtotal.....	25,337,147	508,525	25,336,168	536,173	25,356,002	492,274	+6,531,998	-2,968	(11)	31,888,000	489,306
<b>Mandatory Appropriations:</b>											
Sec 502 SFH Direct Loans American Rescue Plan.....	-	-	-	-	656,606	36,376	-656,606	-36,376	-	-	-
Sec 504 Direct Loans, Very Low American Rescue Plan.....	-	-	-	-	18,382	1,454	-18,382	-1,454	-	-	-
Administrative Expenses, American Rescue Plan.....	-	-	-	-	-	1,170	-	-1,170	-	-	-
Subtotal.....	-	-	-	-	674,988	39,000	-674,988	-39,000	-	-	-
<b>Supplemental Appropriations:</b>											
Sec 502 SFH Guaranteed Loans 25% Increase.....	-	-	-	-	3,500,000	-	-3,500,000	-	-	-	-
Total Adjusted Approp.....	25,337,147	508,525	25,336,168	536,173	29,530,990	531,274	2,357,010	-41,968	-	31,888,000	489,306
Add back.....	-	-	-	-	-	-	-	-	-	-	-
Rescission, Transfers In and Out (Appropriations).....	18,362	1,792	9,827	2,766	-	-	-	-	-	-	-
Total Appropriation.....	25,355,509	510,317	25,345,995	538,939	29,530,990	531,274	2,357,010	-41,968	-	31,888,000	489,306
<b>Transfers Out*:</b>											
Sec 504 direct loans, very low.....	-10,251	-1,252	-9,832	-1,643	-	-	-	-	-	-	-
Sec 524 direct site dev loans.....	-3,105	-109	5,005	-546	-	-	-	-	-	-	-
Sec 523 self-help housing land dev loans.....	-5,006	-431	-5,000	-577	-	-	-	-	-	-	-
Total Transfers Out.....	-18,362	-1,792	-9,827	-2,766	-	-	-	-	-	-	-
Recoveries, Other.....	6,661	3,751	13,736	6,753	-	-	-	-	-	-	-
Bal. Available, SOY.....	102,502	25,234	23,690	14,165	80,338	24,338	+1,681,801	+28,222	-	1,762,139	52,560
Total Available.....	25,446,310	537,510	25,373,594	557,091	29,611,328	555,612	4,038,811	-13,746	-	33,650,139	541,866
Lapsing Balances.....	-9,226,834	-3,217	-931,301	-291	-16,058	-435	241	252	-	-15,817	-183
Transfer in Unobligated Balances (MPR 12-2002).....	-	-	-	-	-	-	+29,493	+9,317	-	29,493	9,317
Bal. Available, EOY.....	-40,983	-14,165	-51,834	-24,338	-616,893	-52,560	-141,620	17,029	-	-758,513	-35,531
Total Obligations.....	16,178,493	520,128	24,390,459	532,462	28,978,377	502,617	+3,926,926	+12,852	-	32,905,302	515,469

**Table RHS-5. Project Statement MFH Preservation and Revitalization Appropriations (thousands of dollars)**

Item	2019		2020		2021		Inc. or		Chg	2022		
	Actual	BA	Actual	BA	Enacted	BA	Dec.	BA		Key	Budget	BA
Discretionary Appropriations:												
MFH Preservation (Sec. 515/516).....	\$52,373	\$24,500	\$52,970	\$28,000	\$67,862	\$28,000	-\$35,862	+4,000	(12)	\$32,000	\$32,000	
Total Adjusted Appropriation.....	52,373	24,500	52,970	28,000	67,862	28,000	-35,862	4,000	-	32,000	32,000	
Total Appropriation.....	52,373	24,500	52,970	28,000	67,862	28,000	-35,862	4,000	-	32,000	32,000	

**Table RHS-6. Project Statement Obligations (thousands of dollars)**

Item	2019 Actual		2020 Actual		2021 Enacted		Inc. or Dec.		2022 Budget	
	Actual	BA	Actual	BA	Enacted	BA	Inc. or Dec.	BA	Budget	BA
<b>Discretionary Obligations:</b>										
Sec 502 SFH Direct Loans.....	1,001,610	67,809	1,001,411	90,127	1,001,021	55,457	+498,979	-27,557	1,500,000	27,900
Sec 502 SFH Guaranteed Loans.....	14,865,887	-	23,074,579	-	27,500,000	-	+2,500,000	-	30,000,000	-
Sec 515 MFH Direct Loans.....	40,000	9,484	40,000	12,144	40,000	6,688	-	-3,112	40,000	3,576
Sec 538 MFH Guaranteed Loans.....	160,390	-	228,488	-	230,000	-	-	-	230,000	-
Sec 504 Direct Loans, Very Low.....	17,364	2,120	16,643	2,780	28,003	2,215	-3	-1,731	28,000	484
Sec 524 Direct Site Dev Loans.....	1,909	67	-	-	1,898	135	-277	-68	1,621	67
Sec 523 Self-Help Housing Land Dev Loans.....	-	-	-	-	1,000	54	-	-43	1,000	11
SFH Credit Sales.....	617	-	471	-	1,044	-	+518	-	1,562	-
Sec 514 FL H Loans.....	19,984	4,982	19,930	6,220	28,524	5,189	-729	-2,379	27,795	2,810
Sec 516 FLH Grants.....	8,707	8,707	8,937	8,937	11,889	11,889	-754	-754	11,135	11,135
Preservation and Revitalization.....	-	-	-	-	-	-	+44,317	+38,317	44,317	38,317
Administrative Expenses.....	-	412,254	-	412,254	-	412,254	-	-	-	412,254
Subtotal Disc oblig.....	16,116,468	505,423	24,390,459	532,462	28,843,379	493,881	3,042,051	2,673	31,885,430	496,554
<b>Mandatory Obligations:</b>										
Sec 502 SFH Direct Loans American Rescue Plan.....	-	-	-	-	131,321	7,275	+846,528	+10,913	977,849	18,188
Sec 504 Direct Loans, Very Low American Rescue Plan.....	-	-	-	-	3,676	291	+38,347	+436	42,023	727
Administrative Expenses, American Rescue Plan.....	-	-	-	-	-	1,170	-	-1,170	-	-
Subtotal Mand Oblig.....	-	-	-	-	134,997	8,736	+884,875	+10,179	1,019,872	18,915
<b>Supplemental Obligations:</b>										
Sec 515 MFH Direct Loans Hurricane Supplemental.....	62,025	14,706	-	-	-	-	-	-	-	-
Subtotal Supp Oblig.....	62,025	14,706	-	-	-	-	-	-	-	-
Total Obligations.....	16,178,493	520,129	24,390,459	532,462	28,978,376	502,617	3,926,926	12,852	32,905,302	515,469
Add back.....	-	-	-	-	-	-	-	-	-	-
Lapsing Balances.....	9,226,834	3,217	931,301	291	16,058	435	-241	-252	15,817	183
Transfer in Unobligated Balances (MPR 12-2002).....	-	-	-	-	-	-	-29,493	-9,317	-29,493	-9,317
<b>Balances Available, EOY:</b>										
502 X-Year Low & Vlow Income.....	2,452	166	633	57	-	-	-	-	-	-
Sec 515 MFH Direct Loans.....	-	-	-	-	-	-	-	-	-	-
Sec 514 FL H Loans.....	21,201	6,819	39,282	12,260	66,872	12,164	+53,646	+21	120,518	12,185
Sec 516 FLH Grants.....	7,078	7,078	11,919	11,919	10,030	10,030	-1,135	-1,135	8,895	8,895
Other.....	10,252	102	-	102	-	102	-	-	-	102
Sec 502 SFH Direct Loans American Rescue Plan.....	-	-	-	-	525,285	29,101	+61,425	-18,188	586,710	10,913
Sec 504 Direct Loans, Very Low American Rescue Plan.....	-	-	-	-	14,706	1,163	+10,508	-727	25,214	436
Preservation and Revitalization.....	-	-	-	-	-	-	+17,176	+3,000	17,176	3,000
Total Bal. Available, EOY.....	40,983	14,165	51,834	24,338	616,893	52,560	141,620	-17,029	758,513	35,531
Total Available.....	25,446,310	537,511	25,373,594	557,091	29,611,328	555,612	4,038,811	-13,746	33,650,139	541,866
<b>Less:</b>										
Rescission.....	-	-	-	-	-	-	-	-	-	-
Total Transfers In.....	-	-	-	-	-	-	-	-	-	-
Total Transfers Out.....	18,362	1,792	9,827	2,766	-	-	-	-	-	-
Sequestration.....	-	-	-	-	-	-	-	-	-	-
Recoveries, Other.....	-6,661	-3,751	-13,736	-6,753	-	-	-	-	-	-
Bal. Available, SOY.....	-102,502	-25,234	-23,690	-14,165	-80,338	-24,338	-1,681,801	-28,222	-1,762,139	-52,560
Total Appropriation.....	25,355,509	510,318	25,345,995	538,939	29,530,990	531,274	2,357,010	-41,968	31,888,000	489,306

## Rural Housing Insurance Fund

Both single family housing direct and guaranteed loan programs will contribute to environmental justice by providing affordable housing in distressed and coal-based energy communities. This funding will be significantly enhanced with the \$2 billion requested for these programs through the American Jobs Plan (see mandatory proposals for more detail).

Affordable housing is often regarded as infrastructure because it addresses two fundamental concerns: it facilitates business access to labor, a critical economic input, and it helps avoid costly residential alternatives that can burden economies. The program supports this critical infrastructure by increasing housing affordability and providing homes, both rented and owned, that improve the quality of life for rural families. As rural economies tilt less toward agriculture and more toward service and other industry sectors, these working families are needed to sustain a local tax base that supports a rural population that is older than its urban counterpart. The program helps to create jobs, retain a reliable workforce, and strengthen the housing market in rural communities. The programs efficiently address the lack of credit access in rural America for limited income rural homebuyers and investors by guaranteeing loans that feature a uniquely affordable repayment structure.

The numbers and letters of the following listing relates to values in the Change Key column of the Project Statement:

- (1) An increase of \$500,000,000 for Section 502 Single Family Housing Direct Loan Program (SFHDLP) (\$1,000,000,000 available in 2021).

Increasing single family housing direct loans to \$1.5 billion in 2022 allows the agency to increase homeownership opportunities to low- and very low-income families in rural America. This is the first requested increase in the program in over 20 years.

The increase will allow RHS to continue the necessary level of assistance to low income homebuyers, by giving them opportunities to improve their living conditions and financial footing through investment in their own neighborhoods. The unique servicing options available under the direct program help borrowers facing financial setbacks and temporary challenges remain in their homes while confronting those challenges.

In 2020, this program supplied over 5,800 direct loans, totaling more than \$1 billion to rural families. Of which 387 loans, totaling over 50.6 million, were in persistent poverty areas, focused primarily in the Southeastern US. The majority of the loan recipients are women at approximately 56 percent versus 43 percent male. Borrowers identifying as white make up over 75 percent of the recipients, with Black/African American recipients at 18 percent American Indian/Alaska Native and Asian each at less than 2 percent, and Native Hawaiian/Other Pacific Islander below 1 percent.

The \$1.5 billion requested in the 2022 budget will help to support around 8,500 loans. This program is focusing on increasing assistance to distressed and energy communities by increasing lending in these areas.

(2) An increase of \$6,000,000,000 for Section 502 Single Family Housing Guarantee Loan Program (SFHGLP) (\$24,000,000,000 available in 2021).

The 2022 Budget provides the first requested increase for USDA’s Single-Family Housing Loan Guarantee Program since 2011. The program provides low- and moderate-income rural families access to mortgage credit by guaranteeing loans issued by agency-approved private sector lenders. These loans require no down payment, have low up-front costs and can finance up to 100 percent of the appraised value, plus the guarantee fee. The program also re-finances higher interest, existing USDA guaranteed or direct loans. Without the USDA loan guarantee, lenders will not extend mortgage credit and tens of thousands of creditworthy low- and moderate-income rural Americans who cannot meet down payment requirements will not have homeownership opportunities in 2022.

Obligations for 2020 were \$23.1 billion. The demand for the program has seen a marked increase in 2020 and is projected similarly increase 2021. Of the 137,970 loan guarantees provided in 2020, over 62 percent were male and 37 percent female, with 90 percent of the recipients being white, and Black/African American at over 6 percent multiracial at over 1 percent and Asian, American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander each at under 1percent.

In 2020 and 2021 this program has experienced a steady increase in demand. The requested increase will support the additional demand for the program and provide an opportunity for additional support. With a total of \$30 billion in lending capacity, the program will increase guaranteed loans to over 173,000. This program is focusing on increasing assistance to distressed and energy communities by increasing lending in these areas.

(3) Section 515 Rural Rental Housing Direct Loans straight-lined at the 2021 enacted level of \$40,000,000.

Funding will allow the agency to continue financing multi-family projects in rural America. Continued base funding will be coupled with preservation funding from the multifamily housing preservation and revitalization demonstration program as well as housing preservation grants. Collectively, this funding, along with a fully funded rental assistance program, will provide a robust preservation package within RHS.

In addition, RHS will continue to leverage this funding by partnering with the Low-Income Housing Tax Credit (LIHTC) program, which provides private equity capital for project preservation and reduces debt service, requiring less rental assistance to support the affordable housing. RHS also collaborates with other agencies, such as Housing and Urban Development (HUD) and Treasury, to streamline the MFH program requirements of RHS, HUD, and LIHTC, and working with the Department of Energy to identify alternative approaches to energy conservation. RHS also plans to target investment opportunities in areas of need through an emphasis on funding rehabilitation of its rental housing in persistent poverty areas.

Funding will also be prioritized for RHS properties where the promissory note is maturing, in an effort to retain properties in the portfolio, preserving the very-low income housing tenants’ housing options.

(4) Section 538 Guaranteed Multifamily Housing loans are straight-lined at the 2021 enacted level of \$230,000,000.

A loan level of \$230 million is expected to fully meet demand in 2022. This program is designed to provide low-income tenant housing opportunities in rural areas. By providing affordable housing in rural America this program contributes to environmental justice. The RHS multifamily housing guarantee program promotes strategic investment in America's housing infrastructure by leveraging high levels of third-party funding that reduces the size of the section 538 loan in the overall transaction, minimizing the cost of the loan to the project and the impact on tenant rents. The primary program partner is the LIHTC program. RHS partners with many State tax credit allocating agencies to include the use of tax credits for rural rental housing preservation and construction in those States' Qualified Allocation Plans. For a \$1 invested from the section 538 program, the agency can leverage about \$2.88 of public-private funding.

Two other important partners in the section 538 program are RHS-approved lenders and Ginnie Mae. Lenders provide financing through section 538 loans for new construction or rehabilitation of rural rental housing; the financing is made possible through investment by capital markets using Ginnie Mae as a guarantor of securities backed by the section 538 loans. The program's delinquency rate is near zero, providing strong evidence of the low level of risk required of RHS to bring additional wealth to the community through new or modernized rental housing.

Over the past five years, approximately half of section 538 loans have been used to revitalize existing section 515 projects, while the remaining half has been used for new construction. The total budget request of \$230 million in guaranteed loan funding is expected to support the development or rehabilitation of 148 units in 2023.

(5) Section 504 Housing Repair Loans are straight-lined at the 2021 enacted level of \$28,000,000.

This funding level will build on funds available in 2021, which included an additional \$18M loan level from the American Recovery Act. These 1 percent loans allow rural very low-income homeowners to make essential repairs to keep their properties decent, safe, and sanitary. This level of funding will support approximately 4,409 very low-income rural homeowners who require necessary home improvements and repairs.

(6) Section 524 Housing Site Development Loans are straight-lined at the 2021 enacted level of \$5,000,000.

524 direct site development loan program provides loans to non-profit entities to purchase and develop land which will be subdivided into adequate building sites and sold on a non-profit basis to low-income families. There is very little demand for this program, so the base funding will fully fund expected applications in 2022.

(7) Section 523 Housing Land Development Loans are straight-lined at the 2021 enacted level of \$5,000,000.

Section 523 self-help RHS loans provide funds to non-profit entities to purchase and develop land to be subdivided into adequate building sites and sold on a non-profit basis to low-income families who will construct their homes through the self-help method. The program has a negative subsidy rate and requires no budget authority, therefore the loan level is maintained, even though there is little demand for this program, and there have been no approved loans in six years.

(8) Credit Sales of Acquired Property-Single Family Housing Loans are straight-lined at the 2021 enacted level of \$10,000,000.

This base funding assists RHS with the sale of real estate owned (REO) properties. It is one of the ways in which RHS manages its inventory property. With this program, the agency is able to offer SFH funding at non-program, but competitive, loan terms. This credit is offered for buyers not eligible for section 502 assistance or for properties that do not qualify as a program property. Funding allows agency staff to expedite the sale and disposition of REO properties, which spares the government the cost of maintaining these properties. This is a negative subsidy rate loan program, and \$10 million will fully meet the loan volume need for this program in 2022.

(9) Section 514 Farm Labor Housing Loans are straight-lined at the 2021 enacted level of \$28,000,000.

Base funding for the section 514 farm labor housing loans will allow the agency to continue providing decent, safe, and sanitary housing for farmers for small, on-farm housing or off-farm MFH developments by providing new construction and rehabilitation of farmworker rural rental housing.

The use of third-party funds and section 516 farm labor housing grants provide additional leverage to minimize the cost of new construction and allows the projects to maintain rents at affordable levels. A key program used to access capital markets to leverage RD's sections 514 and 516 funding is the LIHTC program. A few States also provide assistance through grant programs designed to attract farm labor housing development opportunities; RD works very closely with those States to coordinate efforts. For each dollar invested, RHS leveraged 0.23 dollars.

(10) Section 516 Farm Labor Housing Grants are straight-lined at the 2021 enacted level of \$10,000,000.

Section 516 farm labor housing (FLH) grants work jointly with the 514 farm labor housing loans to make the loan payments more affordable. The base funding for the grants is consistent with the base funding for the farm labor housing loan program described above. FLH grants are limited to off-farm housing.

(11) A decrease of \$2,968,000 in direct and Guaranteed loan subsidy (\$80,020,000 available in 2021).

The decrease of subsidy is related primarily to the decrease in the subsidy rates. The subsidy amount is necessary to support the estimated loan obligations associated with the requested 2022 loan levels for the programs.



- (12) Multi-family Preservation and Revitalization: An increase of \$4,000,000 for the Multi-family Housing Preservation and Revitalization (MPR) for a total 2022 Budget request of \$32,000,000. [Prior year funding is reflected in the MPR account, 2022 funding for MPR is new to this account]

The multi-family housing revitalization activities are being transferred from the Multi-family Housing Revitalization Program Account and merged into this account. This is needed to facilitate preservation loan modifications of post credit reform of multi-family housing loans. Post credit reform cash flows are linked to the Rural Housing Insurance Fund (RHIF) program account through the RHIF Direct Loan Financing Account. RHS will be hindered in providing preservation and revitalization through this program to post credit reform borrowers if the funding is not requested in the RHIF account. This program historically has provided a number of options for borrowers to preserve the current USDA multifamily housing portfolio: Zero percent loans, soft second loans, revitalization grant, and loan modifications. The requested increased funding level of \$32 million for the MPR demonstration program, when combined with the other multifamily housing preservation programs within RHS, will provide USDA a robust set of tools to meet its commitments in 2022.

### **PROPOSED LEGISLATION: AMERICAN JOBS PLAN MANDATORY PROPOSAL**

#### ***Program: Rural Housing Insurance Fund Program account***

##### *Proposal*

As part of the American Jobs Plan, the 2022 Budget proposes to invest \$2 billion for additional housing grants and loans to stimulate the economy.

##### *Rationale*

Rural Housing: The American Jobs Plan will provide \$200 million for housing programs to assist low-income rural borrowers and renters secure decent homes.

##### *Goal*

The Proposal will support rural communities and create jobs.

***Table RHS-7. American Jobs Plan (millions of dollars)***

<b>Item</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>10 Year Total</b>
Budget Authority (millions)	-	-	\$2,000	\$2,000
Outlays (millions)	-	-	\$460	\$2,000

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS*****Table RHS-8. Geographic Breakdown of Obligations******Section 502 Direct Single-Family Housing Loans (thousands of dollars)***

State/Territory/Country	2019 Actual	2020 Actual	2021	2022
			Enacted	Budget
Alabama	\$15,159	\$15,150	-	-
Alaska	25,604	21,434	-	-
American Samoa	8,922	6,334	-	-
Arizona	24,853	23,454	-	-
Arkansas	12,974	11,313	-	-
California	120,389	101,223	-	-
Colorado	15,365	19,398	-	-
Connecticut	4,913	2,740	-	-
Delaware	11,446	8,545	-	-
Florida	37,383	42,550	-	-
Georgia	24,449	24,262	-	-
Hawaii	13,891	7,366	-	-
Idaho	9,032	10,076	-	-
Illinois	11,032	12,029	-	-
Indiana	37,100	39,002	-	-
Iowa	9,012	11,242	-	-
Kansas	4,344	4,578	-	-
Kentucky	22,087	28,244	-	-
Louisiana	12,433	19,080	-	-
Maine	14,027	16,186	-	-
Maryland	8,427	6,411	-	-
Massachusetts	2,113	2,435	-	-
Michigan	38,335	34,166	-	-
Minnesota	21,354	16,216	-	-
Mississippi	13,143	19,746	-	-
Missouri	17,680	11,584	-	-
Montana	5,656	10,671	-	-
Nebraska	3,415	3,725	-	-
Nevada	6,603	8,214	-	-
New Hampshire	13,026	13,282	-	-
New Jersey	4,037	3,729	-	-
New Mexico	8,053	4,600	-	-
New York	17,931	20,060	-	-
North Carolina	58,415	59,491	-	-
North Dakota	2,112	902	-	-
Ohio	26,550	21,746	-	-
Oklahoma	11,457	11,401	-	-
Oregon	24,090	28,948	-	-
Pennsylvania	18,925	17,519	-	-
Puerto Rico	19,241	12,687	-	-
Rhode Island	821	2,396	-	-
South Carolina	30,515	35,428	-	-
South Dakota	7,239	9,025	-	-
Tennessee	34,397	47,892	-	-
Texas	30,067	34,930	-	-
Utah	47,544	37,634	-	-
Vermont	8,600	7,334	-	-
Virgin Islands	1,757	3,359	-	-
Virginia	29,229	33,400	-	-
Washington	32,776	29,743	-	-
West Virginia	6,826	9,600	-	-
Wisconsin	11,318	12,422	-	-
Wyoming	5,543	6,509	-	-
Distribution Unknown	-	-	\$1,001,021	\$1,500,000
Obligations	1,001,610	1,001,411	1,001,021	1,500,000

**Table RHS-9. Geographic Breakdown of Obligations**  
**Section 502 Guaranteed Single-Family Housing Loans (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$419,049	\$719,227	-	-
Alaska	81,675	122,880	-	-
American Samoa	3,496	10,484	-	-
Arizona	197,961	318,400	-	-
Arkansas	444,870	657,563	-	-
California	329,740	557,715	-	-
Colorado	163,497	265,714	-	-
Connecticut	114,325	161,386	-	-
Delaware	111,946	193,523	-	-
Florida	528,369	876,589	-	-
Georgia	546,755	940,817	-	-
Hawaii	128,395	214,470	-	-
Idaho	148,467	217,219	-	-
Illinois	261,282	342,414	-	-
Indiana	586,123	807,709	-	-
Iowa	203,957	275,036	-	-
Kansas	143,675	213,596	-	-
Kentucky	433,948	652,600	-	-
Louisiana	682,668	1,196,937	-	-
Maine	188,076	240,519	-	-
Maryland	448,618	725,013	-	-
Massachusetts	81,555	119,343	-	-
Michigan	533,104	758,924	-	-
Minnesota	357,046	502,223	-	-
Mississippi	333,607	512,261	-	-
Missouri	603,189	867,586	-	-
Montana	107,948	169,656	-	-
Nebraska	98,652	125,565	-	-
Nevada	69,980	116,624	-	-
New Hampshire	71,872	92,863	-	-
New Jersey	114,177	158,216	-	-
New Mexico	35,831	54,064	-	-
New York	154,659	184,852	-	-
North Carolina	671,084	1,218,552	-	-
North Dakota	68,190	85,538	-	-
Ohio	466,200	635,554	-	-
Oklahoma	256,675	350,836	-	-
Oregon	279,148	513,202	-	-
Pennsylvania	554,016	747,305	-	-
Puerto Rico	248,860	351,696	-	-
Rhode Island	12,318	9,640	-	-
South Carolina	449,304	764,968	-	-
South Dakota	131,627	173,757	-	-
Tennessee	699,783	1,099,618	-	-
Texas	456,194	908,497	-	-
Utah	347,365	580,920	-	-
Vermont	54,895	64,225	-	-
Virginia	574,258	916,161	-	-
Washington	226,567	377,124	-	-
West Virginia	253,241	369,911	-	-
Wisconsin	227,278	331,035	-	-
Wyoming	160,372	204,052	-	-
Distribution Unknown	-	-	\$27,500,000	\$30,000,000
Obligations	14,865,887	23,074,579	27,500,000	30,000,000

**Table RHS-10. Geographic Breakdown of Obligations**  
**Section 515 Multi-family Housing Direct Loans (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	-	\$746	-	-
American Samoa	\$41	-	-	-
California	944	2,467	-	-
Connecticut	-	599	-	-
Florida	52,398	-	-	-
Illinois	885	-	-	-
Indiana	619	-	-	-
Kentucky	10,759	7,259	-	-
Michigan	1,238	16,625	-	-
Minnesota	1,094	-	-	-
Mississippi	-	5,668	-	-
Missouri	1,331	-	-	-
New Hampshire	642	1,259	-	-
New York	1,345	-	-	-
Ohio	416	-	-	-
Oregon	752	-	-	-
Texas	538	-	-	-
Vermont	4,740	1,314	-	-
Virgin Islands	11,486	-	-	-
Virginia	-	88	-	-
Washington	5,211	2,998	-	-
West Virginia	-	592	-	-
Wisconsin	7,586	385	-	-
Distribution Unknown	-	-	\$40,000	\$40,000
Obligations	102,025	40,000	40,000	40,000

**Table RHS-11. Geographic Breakdown of Obligations**  
**Section 538 Multi-family Housing Loans (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$1,444	-	-	-
Alaska	726	-	-	-
California	13,122	\$13,209	-	-
Florida	-	2,785	-	-
Georgia	1,805	-	-	-
Idaho	1,790	3,235	-	-
Indiana	-	2,400	-	-
Kansas	2,000	4,244	-	-
Kentucky	4,002	2,473	-	-
Louisiana	768	-	-	-
Maryland	2,750	2,214	-	-
Michigan	2,167	2,741	-	-
Mississippi	-	16,257	-	-
Montana	1,755	1,050	-	-
New Mexico	13,050	-	-	-
North Carolina	46,421	32,255	-	-
North Dakota	968	2,385	-	-
Ohio	850	4,050	-	-
Oklahoma	940	13,123	-	-
Oregon	4,289	7,259	-	-
Pennsylvania	-	18,091	-	-
South Carolina	1,548	2,910	-	-
Tennessee	11,158	17,285	-	-
Texas	46,894	59,871	-	-
Virginia	-	200	-	-
Washington	518	-	-	-
West Virginia	1,425	18,651	-	-
Wisconsin	-	1,800	-	-
Distribution Unknown	-	-	\$230,000	\$230,000
Obligations	160,390	228,488	230,000	230,000

**Table RHS-12. Geographic Breakdown of Obligations**  
**Section 504 Direct Housing Repair Loans (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$211	\$293	-	-
Alaska	66	66	-	-
American Samoa	529	181	-	-
Arizona	152	187	-	-
Arkansas	326	248	-	-
California	282	220	-	-
Colorado	80	121	-	-
Connecticut	29	30	-	-
Delaware	-	4	-	-
Florida	188	197	-	-
Georgia	485	663	-	-
Hawaii	300	178	-	-
Idaho	100	90	-	-
Illinois	869	803	-	-
Indiana	650	418	-	-
Iowa	481	273	-	-
Kansas	128	64	-	-
Kentucky	837	763	-	-
Louisiana	364	383	-	-
Maine	140	353	-	-
Maryland	55	41	-	-
Massachusetts	4	19	-	-
Michigan	1,168	1,044	-	-
Minnesota	352	272	-	-
Mississippi	1,031	860	-	-
Missouri	320	211	-	-
Montana	76	42	-	-
Nebraska	162	99	-	-
Nevada	24	27	-	-
New Hampshire	399	337	-	-
New Jersey	75	44	-	-
New Mexico	145	234	-	-
New York	368	556	-	-
North Carolina	938	835	-	-
North Dakota	37	62	-	-
Ohio	501	525	-	-
Oklahoma	175	233	-	-
Oregon	300	295	-	-
Pennsylvania	544	593	-	-
Puerto Rico	257	161	-	-
Rhode Island	-	8	-	-
South Carolina	268	460	-	-
South Dakota	85	100	-	-
Tennessee	823	979	-	-
Texas	1,307	1,350	-	-
Utah	39	40	-	-
Vermont	132	57	-	-
Virgin Islands	14	5	-	-
Virginia	815	872	-	-
Washington	167	119	-	-
West Virginia	323	312	-	-
Wisconsin	223	301	-	-
Wyoming	20	15	-	-
Distribution Unknown	-	-	\$28,003	\$28,000
Obligations	17,364	16,643	28,003	28,000

**Table RHS-13. Geographic Breakdown of Obligations**  
**Section 524 Site Development Loans (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Delaware	\$1,909	-	-	-
Distribution Unknown	-	-	\$1,898	\$1,621
Obligations	1,909	-	1,898	1,621

**Table RHS-14. Geographic Breakdown of Obligations**  
**Section 523 Self-help Housing Land Development Loans (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown	-	-	\$1,000	\$1,000
Obligations	-	-	1,000	1,000

**Table RHS-15. Geographic Breakdown of Obligations**  
**Single-Family Housing Credit Sales (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Arizona	\$325	\$161	-	-
Oregon	292	310	-	-
Distribution Unknown	-	-	\$1,044	\$1,562
Obligations	617	471	1,044	1,562

**Table RHS-16. Geographic Breakdown of Obligations**  
**Section 514 Farm Labor Housing Loans (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Arkansas	\$655	\$247	-	-
California	7,396	-	-	-
Delaware	1,733	-	-	-
Florida	2,740	-	-	-
Georgia	482	-	-	-
Hawaii	521	1,557	-	-
Michigan	-	164	-	-
Nebraska	2,740	298	-	-
New Mexico	-	2,628	-	-
Oregon	2,804	3,967	-	-
Tennessee	-	1,488	-	-
Texas	-	2,479	-	-
Washington	913	3,333	-	-
West Virginia	-	3,769	-	-
Distribution Unknown	-	-	\$28,524	\$27,795
Obligations	19,984	19,930	28,524	27,795

**Table RHS-17. Geographic Breakdown of Obligations  
Section 516 Farm Labor Housing Grants (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Florida	\$5,200	-	-	-
Georgia	807	-	-	-
Mississippi	-	\$382	-	-
Nebraska	-	2,700	-	-
New York	-	142	-	-
Tennessee	-	1,500	-	-
Washington	2,700	2,020	-	-
West Virginia	-	2,193	-	-
Distribution Unknown	-	-	\$11,889	\$11,135
Obligations	8,707	8,937	11,889	11,135

**Table RHS-18. Geographic Breakdown of Obligations Multi-family Housing Preservation and Revitalization Loan Modifications (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	-	\$6,993	-	-
Connecticut	-	1,586	-	-
Florida	\$900	-	-	-
Indiana	2,592	220	-	-
Iowa	1,941	-	-	-
Kentucky	3,640	-	-	-
Louisiana	3,141	9,607	-	-
Maine	3,721	2,165	-	-
Missouri	968	1,783	-	-
Nebraska	150	-	-	-
New York	4,506	-	-	-
Ohio	10,388	5,695	-	-
Oregon	-	2,895	-	-
South Carolina	2,782	5,703	-	-
South Dakota	2,220	-	-	-
Texas	1,817	2,706	-	-
Vermont	765	172	-	-
Washington	-	245	-	-
West Virginia	2,976	-	-	-
Wisconsin	2,666	4,253	-	-
Distribution Unknown	-	-	\$39,391	\$44,317
Obligations	45,173	44,023	39,391	44,317

**Table RHS-19. Geographic Breakdown of Obligations Section 502 Direct Single-Family Housing Loans American Rescue Plan (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown	-	-	\$131,321	\$977,849
Obligations	-	-	131,321	977,849



**Table RHS-20. Geographic Breakdown of Obligations Section 504 Direct Housing Repair Loans American Rescue Plan (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021	2022
			Enacted	Budget
Distribution Unknown	-	-	\$3,676	\$42,023
Obligations	-	-	3,676	42,023

**CLASSIFICATION BY OBJECTS****Table RHS-21. Classification by Objects (thousands of dollars)**

Item No.	Item	2019 Actual	2020 Actual	2021	2022
				Enacted	Budget
	Other Objects:				
25.3	Other goods and services from Federal sources	\$412,254	\$412,254	\$412,254	\$412,254
41.0	Grants, subsidies, and contributions	107,875	120,208	89,193	103,215
	Total, Other Objects	520,129	532,462	501,447	515,469
99.9	Total, new obligations	520,129	532,462	501,447	515,469

**ACCOUNT 2: RENTAL ASSISTANCE PROGRAM****APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

## Rental Assistance Program

## RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) of the Housing Act of 1949 or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, and for the rural housing voucher program as authorized under section 542 of the Housing Act of 1949, notwithstanding subsection (b) of such section, [\$1,410,000,000]\$1,495,000,000, of which \$40,000,000 shall be available until September 30, [2022]2023; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: Provided, That of the amounts made available under this heading, \$1,450,000,000 shall be available for renewal of rental assistance agreements: *Provided further*, That rental assistance agreements entered into or renewed during the current fiscal year shall be funded for a one-year period: [*Provided further*, That upon request by an owner of a project financed by an existing loan under section 514 or 515 of the Act, the Secretary may renew the rental assistance agreement for a period of 20 years or until the term of such loan has expired, subject to annual appropriations: *Provided further*, That any unexpended balances remaining at the end of such one-year agreements may be transferred and used for purposes of any debt reduction, maintenance, repair, or rehabilitation of any existing projects; preservation; and rental assistance activities authorized under title V of the Act: *Provided further*, That rental assistance provided under agreements entered into prior to fiscal year 2021 for a farm labor multi-family housing project financed under section 514 or 516 of the Act may not be recaptured for use in another project until such assistance has remained unused for a period of 12 consecutive months, if such project has a waiting list of tenants seeking such assistance or the project has rental assistance eligible tenants who are not receiving such assistance: *Provided further*, That such recaptured rental assistance shall, to the extent practicable, be applied to another farm labor multi-family housing project financed under section 514 or 516 of the Act: ]*Provided further*, That [except as provided in the fourth proviso under this heading and ]notwithstanding any other provision of the Act, the Secretary may recapture rental assistance provided under agreements entered into prior to fiscal year [2021] 2022 for a project that the Secretary determines no longer needs rental assistance and use such recaptured funds for current needs: *Provided further*, That notwithstanding any other provision of the Act, the Secretary may recapture funds provided for rental assistance under agreements entered into prior to fiscal year 2022 for a project that the Secretary determines no longer needs rental assistance: *Provided further*, That such recaptured funds shall remain available for obligation in fiscal year 2022 for the purposes specified under this heading: *Provided further*, That of the amounts made available under this heading, \$45,000,000 shall be available for rural housing vouchers to any low-income household, including a household that does not receive rental assistance, residing in a property financed with a section 515 loan that has been prepaid or otherwise paid off after September 30, 2005: *Provided further*, That the amount of such vouchers shall be equal to the difference between comparable market rent for the section 515 unit and the tenant paid rent for such unit: *Provided further*, That such vouchers

shall be subject to the availability of annual appropriations: *Provided further*, That the Secretary shall, to the maximum extent practicable, administer such vouchers with current regulations and administrative guidance applicable to section 8 housing vouchers administered by the Secretary of the Department of Housing and Urban Development: *Provided further*, That any balances available for the rural housing voucher program in the "Multi-Family Housing Revitalization Program Account" shall be transferred to and merged with this account and available for the rural housing voucher program: *Provided further*, That if the Secretary determines that the amount made available for vouchers or rental assistance in this Act is not needed for vouchers or rental assistance, the Secretary may use such funds for any of the programs described under this heading.

**Change Description**

The first change (line 4 and 5 paragraph 1) inserts appropriations language to include the voucher authority under this account. The budget proposes to move the voucher program under the Rental Assistance program account to facilitate management of the program and because the two programs are related.

The second change (lines 9 and 10 of paragraph 1) inserts appropriations language for the funding requested for the Rental assistance program from the total amount requested under the heading.

The third change (line 12 to 25 paragraph 1) eliminates language to fund rental assistance associated with Farm Labor Housing program allowing the agreement to be for 20 years.

The fourth change (line 29 to 49 paragraph 1) inserts language related to the voucher program. The voucher program is requested in the Rental Assistance program account to facilitate management of the program and because the two programs are related.

**LEAD-OFF TABULAR STATEMENT**

*Table RHS-22. Lead-Off Tabular Statement (In dollars)*

<b>Item</b>	<b>Amount</b>
2021 Enacted	\$1,410,000,000
Change in Appropriation	+ 85,000,000
Budget Estimate, 2022	<u>1,495,000,000</u>

**PROJECT STATEMENT**

**Table RHS-23. Project Statement Appropriations (thousands of dollars)**

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	Chg Key	2022 Budget
Discretionary Appropriations:						
Rental Assistance (Sec. 521).....	\$1,331,400	\$1,375,000	\$1,410,000	+40,000	(1)	\$1,450,000
Multi-Family Housing Revitalization Voucher .....	-	-	-	+45,000	(2)	\$45,000
Subtotal.....	1,331,400	1,375,000	1,410,000	+85,000		1,495,000
Total Discretionary Appropriations.....	1,331,400	1,375,000	1,410,000			1,495,000
Mandatory Appropriations:.....						
American Rescue Act .....	-	-	100,000			-
Subtotal.....	-	-	100,000	-100,000		-
Total Adjusted Approp.....	1,331,400	1,375,000	1,510,000	-15,000	-	1,495,000
Add back:.....						
Total Appropriation.....	1,331,400	1,375,000	1,510,000	-15,000	-	1,495,000
Recoveries, Other .....	5	3	-	-		-
Bal. Available, SOY.....	40,312	40,312	40,313	+0		40,313
Total Available.....	1,371,717	1,415,315	1,550,313	-15,000	-	1,535,313
Lapsing Balances.....	-5	-3	-	-		-
Bal. Available, EOY.....	-40,313	-40,313	-40,313	-0		-40,313
Total Obligations.....	1,331,400	1,375,000	1,510,000	-15,000		1,495,000

**Table RHS-24. Project Statement Voucher Program Appropriations (thousands of dollars)**

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	Chg Key	2022 Budget
Discretionary Appropriations:						
Rural housing voucher program and administrative...	\$27,000	\$32,000	\$40,000	+\$5,000	(2)	\$45,000
Total Adjusted Appropriation.....	27,000	32,000	40,000	5,000	-	45,000
Total Appropriation.....	27,000	32,000	40,000	5,000	-	45,000

**Table RHS-25. Project Statement Obligations (thousands of dollars)**

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	Chg Key	2022 Budget
Discretionary Obligations:						
Rental Assistance (Sec. 521).....	\$1,331,400	\$1,375,000	\$1,410,000	+40,000		\$1,450,000
Multi-Family Housing Revitalization Voucher .....	-	-	-	+45,000		45,000
Subtotal Disc oblig.....	1,331,400	1,375,000	1,410,000	+85,000		1,495,000
Total Discretionary Obligations.....	1,331,400	1,375,000	1,410,000	85,000	-	1,495,000
Add back:.....						
Lapsing Balances.....	5	3	-	-		-
Mandatory Obligations:.....						
American Rescue Act .....	-	-	100,000	-		-
Total Discretionary and Mandatory Obligations.....	1,331,405	1,375,002	1,510,000			1,495,000
Balances Available, EOY:						
Rental Assistance (Sec. 521).....	40,312	40,313	40,313	+0		40,313
Total Bal. Available, EOY.....	40,312	40,313	40,313	0		40,313
Total Available.....	1,371,717	1,415,315	1,550,313	-15,000		1,535,313
Less:						
Recoveries, Other .....	-5	-3	-	-		-
Bal. Available, SOY.....	-40,311	-40,312	-40,313	-0		-40,313
Total Appropriation.....	1,331,400	1,375,000	1,510,000	-15,000		1,495,000

## Rental Assistance Program

The numbers and letters of the following listing relates to values in the Change Key column of the Project Statement:

- (1) An increase of \$40,000,000 for Rental Assistance (RA) Grants (Section 521) (\$1,410,000,000 available in 2021).

This program supports this critical infrastructure by increasing housing affordability and providing homes that improve the quality of life for rural families. As rural economies expand into service and other industry sectors, working families are needed to sustain a local tax base; which supports a population that is older than its urban counterpart. This program helps retain a reliable workforce as it strengthens the housing market in rural communities.

Specifically, this project-based program provides funds directly to project owners of Section 515- or 514/516-financed rental housing. On behalf of tenants with incomes too low to pay the RD subsidized rent from their own resources, RD pays the project owner the difference between the tenant's contribution (30 percent of adjusted income) and the monthly rental rate (based on the owner's project costs). RA may be used for existing and newly constructed developments. Projects must be established on a nonprofit or limited profit basis.

A \$1.45 billion funding level for this program would allow RHS to continue assisting lower-income residents in obtaining and sustaining decent, safe, and sanitary housing in rural communities. RHS estimates that \$1.45 billion will fund 252,000 units. This will enable existing contracts to be renewed resulting in low- or very-low income rural tenants retaining affordable rental housing.

From the data of the 2020 occupancy report:

- White, Non-Hispanic households: 64.85 percent
- Black Non-Hispanic households: 20.19 percent
- Hispanic households: 11.81 percent
- Asian, Pacific Islander households: 0.72 percent
- American Indian/Alaskan Native households: 1.62 percent
- Multi-Racial households: 0.80 percent.
- There was a slight increase in very-low income households, which represent 92.55 percent of all households. Low income households represent 6.47 percent of the total.
- Average household incomes are up to \$14,131 from \$14,014 (a 0.83 percent increase); the average income of Rental Assistance (RA) households increased to \$11,669 from \$11,557 (a 0.97 percent increase).
- Female-headed households continue to represent the majority of households (71.0 percent).
- There was no appreciable change in the percentage of elderly/disabled households versus non-elderly households, which is around 65 percent.
- The disabled population continues to increase within the elderly/disabled households.

- (2) Rural Voucher Program: An increase of \$5,000,000 for the Housing Revitalization Vouchers for a total 2022 Budget request of \$45,000,000. [Prior year funding is reflected in

the Multifamily Housing Preservation and Revitalization account, 2022 funding for Housing Revitalization Vouchers is new to this account].

Rural housing voucher funding enables tenants in properties that have paid-off their mortgages or been foreclosed upon to continue to access affordable housing when the benefit of the traditional rental assistance program disappears upon the property's payoff. Funding protects very low- and low-income families who are affected by the loss the assistance, and the requirement that the property offer low rents. The program continues to grow due to an increase in the number USDA financed properties graduating out of the program. The budget is requesting to transfer the voucher program account under the rental assistance account and out of multi-family revitalization and preservation account to better align like programs and funding flexibility between like purposes. The budget request will provide 7,964 vouchers. The average cost is \$471 per month.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS****Table RHS-26. Section 521 Rural Rental Assistance Program Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$35,322	\$36,246	-	-
Alaska	6,783	6,930	-	-
Arizona	19,125	20,326	-	-
Arkansas	26,812	26,559	-	-
California	115,611	124,935	-	-
Colorado	12,545	14,703	-	-
Connecticut	9,140	9,314	-	-
Delaware	8,175	8,719	-	-
Florida	55,665	61,163	-	-
Georgia	35,722	37,935	-	-
Hawaii	12,577	10,277	-	-
Idaho	18,821	18,040	-	-
Illinois	30,597	32,235	-	-
Indiana	23,720	26,564	-	-
Iowa	25,551	26,413	-	-
Kansas	13,384	11,941	-	-
Kentucky	25,086	25,556	-	-
Louisiana	44,224	42,577	-	-
Maine	34,476	37,819	-	-
Maryland	19,197	18,411	-	-
Massachusetts	12,950	12,796	-	-
Michigan	37,508	36,721	-	-
Minnesota	24,280	26,687	-	-
Mississippi	49,271	53,155	-	-
Missouri	27,518	25,632	-	-
Montana	7,605	7,396	-	-
Nebraska	8,745	8,843	-	-
Nevada	10,709	10,560	-	-
New Hampshire	14,367	14,970	-	-
New Jersey	13,297	12,034	-	-
New Mexico	19,355	20,115	-	-
New York	27,964	29,200	-	-
North Carolina	81,430	90,301	-	-
North Dakota	6,344	7,063	-	-
Ohio	30,272	30,573	-	-
Oklahoma	25,915	24,305	-	-
Oregon	23,498	25,131	-	-
Pennsylvania	32,735	33,696	-	-
Puerto Rico	23,549	21,742	-	-
Rhode Island	2,433	1,684	-	-
South Carolina	35,357	36,238	-	-
South Dakota	17,288	16,457	-	-
Tennessee	30,689	32,302	-	-
Texas	57,183	61,732	-	-
Utah	9,887	10,173	-	-
Vermont	8,684	10,638	-	-
Virgin Islands	5,900	4,401	-	-
Virginia	33,412	35,345	-	-
Washington	36,629	36,441	-	-
West Virginia	17,710	18,007	-	-
Wisconsin	20,237	19,093	-	-
Wyoming	6,148	4,906	-	-
Distribution Unknown Obligations	1,331,400	1,375,000	\$1,410,000	\$1,450,000



**Table RHS-27. Rural Voucher Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021	2022
			Enacted	Budget
Alabama	\$245	\$243	-	-
Alaska	55	83	-	-
Arizona	392	402	-	-
Arkansas	163	136	-	-
California	14	13	-	-
Colorado	133	134	-	-
Connecticut	-	25	-	-
Delaware	25	2,517	-	-
Florida	2,677	827	-	-
Georgia	792	100	-	-
Idaho	400	510	-	-
Illinois	815	840	-	-
Indiana	1,555	1,730	-	-
Iowa	1,660	1,545	-	-
Kansas	458	546	-	-
Kentucky	131	210	-	-
Louisiana	206	212	-	-
Maine	597	668	-	-
Maryland	53	51	-	-
Massachusetts	43	75	-	-
Michigan	2,282	3,548	-	-
Minnesota	971	1,185	-	-
Mississippi	288	293	-	-
Missouri	1,039	958	-	-
Montana	993	904	-	-
Nebraska	492	780	-	-
Nevada	61	60	-	-
New Hampshire	244	290	-	-
New Jersey	198	467	-	-
New Mexico	205	174	-	-
New York	1,522	1,343	-	-
North Carolina	390	308	-	-
North Dakota	164	319	-	-
Ohio	461	520	-	-
Oklahoma	212	256	-	-
Oregon	198	218	-	-
Pennsylvania	379	1,411	-	-
Puerto Rico	5	21	-	-
Rhode Island	15	23	-	-
South Carolina	694	1,074	-	-
South Dakota	1,625	1,473	-	-
Tennessee	479	743	-	-
Texas	1,365	2,189	-	-
Utah	41	240	-	-
Vermont	6	6	-	-
Virgin Islands	93	113	-	-
Virginia	97	135	-	-
Washington	1,018	1,603	-	-
West Virginia	49	73	-	-
Wisconsin	2,552	2,877	-	-
Wyoming	72	74	-	-
Distribution Unknown	-	-	\$44,370	\$45,000
Obligations	28,623	34,545	44,370	45,000

**Table RHS-28. American Rescue Plan (ARP) Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown	-	-	\$100,000	-
Obligations	-	-	100,000	-
Total, Available	-	-	100,000	-

**CLASSIFICATION BY OBJECTS**

**Table RHS-29. Classification by Objects (thousands of dollars)**

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
41.0	Grants, subsidies, and contributions	\$1,331,400	\$1,375,000	\$1,510,000	\$1,495,000
99.9	Total, new obligations	1,331,400	1,375,000	1,510,000	1,495,000

***ACCOUNT 3: MULTI-FAMILY HOUSING REVITALIZATION PROGRAM*****APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

## Multi-family Housing Revitalization Program Account

[For the rural housing voucher program as authorized under section 542 of the Housing Act of 1949, but notwithstanding subsection (b) of such section, and for additional costs to conduct a demonstration program for the preservation and revitalization of multi-family rental housing properties described in this paragraph, \$68,000,000, to remain available until expended: Provided, That of the funds made available under this heading, \$40,000,000, shall be available for rural housing vouchers to any low-income household (including those not receiving rental assistance) residing in a property financed with a section 515 loan which has been prepaid after September 30, 2005: Provided further, That the amount of such voucher shall be the difference between comparable market rent for the section 515 unit and the tenant paid rent for such unit: Provided further, That funds made available for such vouchers shall be subject to the availability of annual appropriations: Provided further, That the Secretary shall, to the maximum extent practicable, administer such vouchers with current regulations and administrative guidance applicable to section 8 housing vouchers administered by the Secretary of the Department of Housing and Urban Development: Provided further, That if the Secretary determines that the amount made available for vouchers in this or any other Act is not needed for vouchers, the Secretary may use such funds for the demonstration program for the preservation and revitalization of multi-family rental housing properties described in this paragraph: Provided further, That of the funds made available under this heading, \$28,000,000 shall be available for a demonstration program for the preservation and revitalization of the sections 514, 515, and 516 multi-family rental housing properties to restructure existing USDA multi-family housing loans, as the Secretary deems appropriate, expressly for the purposes of ensuring the project has sufficient resources to preserve the project for the purpose of providing safe and affordable housing for low-income residents and farm laborers including reducing or eliminating interest; deferring loan payments, subordinating, reducing or reamortizing loan debt; and other financial assistance including advances, payments and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary: Provided further, That the Secretary shall as part of the preservation and revitalization agreement obtain a restrictive use agreement consistent with the terms of the restructuring: Provided further, That if the Secretary determines that additional funds for vouchers described in this paragraph are needed, funds for the preservation and revitalization demonstration program may be used for such vouchers: Provided further, That if Congress enacts legislation to permanently authorize a multi-family rental housing loan restructuring program similar to the demonstration program described herein, the Secretary may use funds made available for the demonstration program under this heading to carry out such legislation with the prior approval of the Committees on Appropriations of both Houses of Congress: Provided further, That in addition to any other available funds, the Secretary may expend not more than \$1,000,000 total, from the program funds made available under this heading, for administrative expenses for activities funded under this heading.]

**Change Description**

This change is a result of the proposal to move the multifamily housing preservation and revitalization demonstration program to the Rural Housing Insurance Fund program, which

contains the section 515 multi-family housing loan program. In addition, the change also reflects the proposal to move the voucher program to the Rental Assistance Grant Program Account to have all housing rental assistance programs in one account.

**LEAD-OFF TABULAR STATEMENT**

***Table RHS-30. Lead-Off Tabular Statement (In dollars)***

The Multi-family housing Preservation and Revitalization programs in this account are continued being funded in the 2022 budget request. Multi-family Preservation and Revitalization tools is requested in the Rural Housing Insurance Fund program account. The Rural Voucher program a requested in the Rental Assistance Program account.

**PROJECT STATEMENT**

*Table RHS-31. Project Statement Appropriations (thousands of dollars)*

Item	2019 Actual	BA	2020 Actual	BA	2021 Enacted	BA	Inc. or Dec.	BA	Chg Key	2022 Budget	BA
Discretionary Appropriations:											
Rural housing voucher program and admin	\$27,000	\$27,000	\$32,000	\$32,000	\$40,000	\$40,000	-\$40,000	-40,000	(1)	-	-
MFH Preservation Zero Loans (Sec. 515)	52,373	24,500	52,970	28,000	67,862	28,000	-67,862	-28,000	(2)	-	-
General Provision: Maturing Mortgages...	1,000	1,000	1,000	1,000	2,000	2,000	-2,000	-2,000	(3)	-	-
Total Adjusted Approp.....	80,373	52,500	85,970	61,000	109,862	70,000	-109,862	-70,000	-	-	-
Sequestration.....	-	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	80,373	52,500	85,970	61,000	109,862	70,000	-109,862	-70,000	-	-	-
Recoveries, Other .....	2,800	2,320	2,851	2,761	-	-	-	-	-	-	-
Bal. Available, SOY.....	12,500	11,599	6,782	6,472	9,853	8,152	+19,640	+1,165		\$29,493	\$9,317
Total Available.....	95,673	66,419	95,603	70,233	119,715	78,152	-90,222	-68,835	-	29,493	9,317
Balances Transferred to RHIF.....	-	-	-	-	-	-	-29,493	-9,317		-29,493	-9,317
Bal. Available, EOY.....	-20,888	-6,472	-16,783	-8,152	-29,493	-9,317	29,493	9,317		-	-
Total Obligations.....	74,785	59,948	78,820	62,081	90,222	68,835	-90,222	-68,835		-	-

**Table RHS-32. Project Statement Obligations (thousands of dollars)**

Item	2019		2020		2021		Inc. or Dec.	2022		
	Actual	BA	Actual	BA	Enacted	BA		BA	Budget	BA
Discretionary Obligations:										
Rural housing voucher program and administrative.....	\$28,623	\$28,623	\$34,545	\$34,545	\$44,370	\$44,370	\$-44,370	-44,370	-	-
MFH Revitalization Sec. 515 Zero Loans.....	6,605	3,090	4,231	2,237	4,497	1,855	-4,497	-1,855	-	-
MFH Revitalization Vouchers.....	989	989	252	252	261	261			-	-
MFH 515 Revitalization Grants.....	-	-	-	-	3,200	3,200			-	-
MFH Revitalization Grants.....					2,000	2,000				
Multi-Family Housing Preservation Pilot Program.....	-	-	-	-	1,000	1,000				
MFH Revitalization Modification(Sec 515).....	-	7,227	-	1,255	-	-	-	-	-	-
MFH Preservation Soft Seconds Loans (Sec. 515).....	38,568	20,018	39,792	23,792	34,894	16,149	-34,894	-16,149	-	-
Total Obligations.....	74,785	59,947	78,820	62,081	90,222	68,835	-90,222	-68,835	-	-
Balances Transferred to RHIF.....	-	-	-	-	-	-	29,493	9,317	\$29,493	\$9,317
Balances Available, EOY:										
MPR Zero Interest Rate.....	0	0	513	271	2,646	484	-2,646	-484	-	-
MPR Soft Second.....	4,738	1,516	5,470	3,192	19,455	4,992	-19,455	-4,992	-	-
MPR Demo revolving loan.....	3,786	-	-	-	-	-	-	-	-	-
Vouchers.....	2,604	2,604	1,654	1,654	3,651	100	-3,651	-100	-	-
Vouchers Admin Expenses - IT.....	1,125	-	261	261	221	221	-221	-221	-	-
515 MFH Revit. Deferrals of Liquidating Loans.....	5,031	-	5,111	-	-	-	-	-	-	-
515 MFH Revit. Mods Maturing Mortgages of Liquidating	1,252	-	1,000	-	-	-	-	-	-	-
MFH Preservation Pilot Program.....	1,000	1,000	1,000	1,000	2,520	2,520	-2,520	-2,520	-	-
515 Revitalization Grants.....	1,125	1,125	1,774	1,774	1,000	1,000	-1,000	-1,000	-	-
Cost of Modified Subsidy.....	227	227	-	-	-	-	-	-	-	-
Total Bal. Available, EOY.....	20,888	6,472	16,783	8,152	29,493	9,317	-29,493	-9,317	-	-
Total Available.....	95,673	66,419	95,603	70,233	119,715	78,152	-90,222	-68,835	29,493	9,317
Less:										
Recoveries, Other.....	-2,800	-2,320	-2,851	-2,761	-	-	-	-	-	-
Bal. Available, SOY.....	-12,500	-11,599	-6,782	-6,472	-9,853	-8,152	-19,640	-1,165	-29,493	-9,317
Total Appropriation.....	80,373	52,500	85,970	61,000	109,862	70,000	-109,862	-70,000	-	-

## **Multi-Family Housing Revitalization Program**

The multi-family housing voucher program and the revitalization and preservation demonstration program activities are being move into other accounts accountments in the 2022 Budget request. The multi-family revitalization and preservation loans are requested in the Rural Housing Insurance Funds (RHIF) account and the budget requests \$32 million in program level. Rural Housing Vouchers are requested in the Rental Assistance account, with funding of \$45 million.

(1) Section 542 Rural Voucher Program: [Please refer to the Rental Assistance Grant account for this justification. \$40,000,000 was appropriated for this account in 2021, but funding is proposed in the Rental Assistance Grant account for 2022.]

(2) Section 515/516 Multi-family Housing Loans: [Please refer to the Rural Housing Insurance Fund account for this justification. \$28,000,000 was appropriated for housing preservation and revitalization activities in this account for 2021, but funding is proposed in the Rural Housing Insurance Fund account for 2022.]

(3) A decrease of \$2,000,000 for maturing mortgage (\$2,000,000 available in 2021)

The 2022 budget is not requesting funding for this purpose.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS****Table RHS-33. Multi-Family Housing Rural Housing Voucher Program Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$245	\$243	-	-
Alaska	55	83	-	-
Arizona	392	402	-	-
Arkansas	163	136	-	-
California	14	13	-	-
Colorado	133	134	-	-
Connecticut	-	25	-	-
Delaware	25	2,517	-	-
Florida	2,677	827	-	-
Georgia	792	100	-	-
Idaho	400	510	-	-
Illinois	815	840	-	-
Indiana	1,555	1,730	-	-
Iowa	1,660	1,545	-	-
Kansas	458	546	-	-
Kentucky	131	210	-	-
Louisiana	206	212	-	-
Maine	597	668	-	-
Maryland	53	51	-	-
Massachusetts	43	75	-	-
Michigan	2,282	3,548	-	-
Minnesota	971	1,185	-	-
Mississippi	288	293	-	-
Missouri	1,039	958	-	-
Montana	993	904	-	-
Nebraska	492	780	-	-
Nevada	61	60	-	-
New Hampshire	244	290	-	-
New Jersey	198	467	-	-
New Mexico	205	174	-	-
New York	1,522	1,343	-	-
North Carolina	390	308	-	-
North Dakota	164	319	-	-
Ohio	461	520	-	-
Oklahoma	212	256	-	-
Oregon	198	218	-	-
Pennsylvania	379	1,411	-	-
Puerto Rico	5	21	-	-
Rhode Island	15	23	-	-
South Carolina	694	1,074	-	-
South Dakota	1,625	1,473	-	-
Tennessee	479	743	-	-
Texas	1,365	2,189	-	-
Utah	41	240	-	-
Vermont	6	6	-	-
Virgin Islands	93	113	-	-
Virginia	97	135	-	-
Washington	1,018	1,603	-	-
West Virginia	49	73	-	-
Wisconsin	2,552	2,877	-	-
Wyoming	72	74	-	-
Distribution Unknown	-	-	\$44,370	-
Obligations	28,623	34,545	44,370	-



**Table RHS-34. Multi-Family Revitalization (MFH) Grants Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Maine	\$234	\$16	-	-
Missouri	563	126	-	-
Vermont	-	50	-	-
Washington	192	60	-	-
Distribution Unknown	-	-	\$261	-
Obligations	989	252	261	-

**Table RHS-35. Multi-Family Revitalization – Zero Loans Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Florida	\$900	-	-	-
Indiana	808	-	-	-
Iowa	200	-	-	-
Kentucky	429	-	-	-
Louisiana	-	\$1,000	-	-
New York	3,168	-	-	-
Ohio	-	540	-	-
South Carolina	-	2,691	-	-
South Dakota	1,100	-	-	-
Distribution Unknown	-	-	\$4,497	-
Obligations	6,605	4,231	4,497	-

**Table RHS-36. Multi-Family Revitalization – Soft Seconds Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	-	\$6,993	-	-
Connecticut	-	1,586	-	-
Indiana	\$1,784	220	-	-
Iowa	1,741	-	-	-
Kentucky	3,211	-	-	-
Louisiana	3,141	8,607	-	-
Maine	3,721	2,165	-	-
Missouri	968	1,783	-	-
Nebraska	150	-	-	-
New York	1,338	-	-	-
Ohio	10,388	5,155	-	-
Oregon	-	2,895	-	-
South Carolina	2,782	3,012	-	-
South Dakota	1,120	-	-	-
Texas	1,817	2,706	-	-
Vermont	765	172	-	-
Washington	-	245	-	-
West Virginia	2,976	-	-	-
Wisconsin	2,666	4,253	-	-
Distribution Unknown	-	-	\$34,894	-
Obligations	38,568	39,792	34,894	-

**Table RHS-37. Multi-Family Revitalization – 515 Grants Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country			2021	2022
	2019 Actual	2020 Actual	Enacted	Budget
Distribution Unknown	-	-	\$3,200	-
Obligations	-	-	3,200	-

**Table RHS-38. Multi-Family Revitalization – Preservation Pilot Grants Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country			2021	2022
	2019 Actual	2020 Actual	Enacted	Budget
Distribution Unknown	-	-	\$1,000	-
Obligations	-	-	1,000	-
Total, Available	-	-	1,000	-

**Table RHS-39. Multi-Family Revitalization – Grants Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country			2021	2022
	2019 Actual	2020 Actual	Enacted	Budget
Distribution Unknown	-	-	\$2,000	-
Obligations	-	-	2,000	-

**CLASSIFICATION BY OBJECTS**

**Table RHS-40. Classification by Objects (thousands of dollars)**

Item No.	Item	2021			
		2019 Actual	2020 Actual	Enacted	2022 Budget
	Other Objects:				
41.0	Grants, subsidies, and contributions	\$59,948	\$62,081	\$68,835	-
	Total, Other Objects	59,948	62,081	68,835	-
99.9	Total, new obligations	59,948	62,081	68,835	-

***ACCOUNT 4: MUTUAL AND SELF-HELP HOUSING GRANTS***

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

Mutual and Self-Help Housing Grants

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), [~~\$31,000,000~~]\$32,000,000, to remain available until expended.

**LEAD-OFF TABULAR STATEMENT**

***Table RHS-41. Lead-Off Tabular Statement (In dollars)***

<b>Item</b>	<b>Amount</b>
2021 Enacted	\$31,000,000
Change in Appropriation	+ 1,000,000
Budget Estimate, 2022	<u>32,000,000</u>

**PROJECT STATEMENT****Table RHS-42. Project Statement Appropriations (thousands of dollars)**

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	Chg Key	2022 Budget
Discretionary Appropriations:						
Mutual and Self-Help Housing Grants.....	\$30,000	\$31,000	\$31,000	+1,000	(1)	\$32,000
Total Adjusted Approp.....	30,000	31,000	31,000	1,000	-	32,000
Total Appropriation.....	30,000	31,000	31,000	1,000	-	32,000
Recoveries, Other .....	513	1,199	1,145	-154		991
Bal. Available, SOY.....	2,413	3,460	2,875	+1,463		4,338
Total Available.....	32,926	35,659	35,020	2,309	-	37,329
Bal. Available, EOY.....	-3,460	-2,875	-4,338	232		-4,106
Total Obligations.....	29,466	32,784	30,682	+2,541		33,223

**Table RHS-43. Project Statement Obligations (thousands of dollars)**

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Discretionary Obligations:					
Mutual and Self-Help Housing Grants.....	\$29,466	\$32,784	\$30,682	+2,541	\$33,223
Balances Available, EOY:					
Mutual and Self-Help Housing Grants.....	3,460	2,875	4,338	-232	4,106
Total Available.....	32,926	35,659	35,020	2,309	37,329
Recoveries, Other .....	-513	-1,199	-1,145	+154	-991
Bal. Available, SOY.....	-2,413	-3,460	-2,875	-1,463	-4,338
Total Appropriation.....	30,000	31,000	31,000	1,000	32,000

**Mutual and Self-Help Housing Grants**

The numbers and letters of the following listing relates to values in the Change Key column of the Project Statement:

- (1) An increase of \$1,000,000 for Mutual and Self-Help Housing Grants (\$31,000,000 available in 2021).

This program provides grant funding to eligible entities to support families who cooperatively build each other's homes. Grant recipients supervise groups of low- and very-low-income individuals and families as they construct their own homes in rural areas. The group members provide most of the construction labor on each other's homes, with technical assistance from the organization overseeing the project. The program is unique within the Federal government as the sweat-equity requirement for the group members is 65 percent. This is a key factor in the beneficiaries becoming successful home-owners. In addition to helping low- and very-low-income families attain homeownership, this program assists in stimulating local economies, providing job training, and fostering community service skills. A funding level of \$32 million would allow the agency to continue to facilitate housing security and community stability in rural areas. The program remains important to the agency for advancement of rural prosperity and economic development as indicated by 2020 program obligations totaling \$32.8 million for 53 grants provided to non-profit organizations in rural America. This program is instrumental for reaching out to minority populations as they are working with contractor to build their houses before requesting a section 502 Direct mortgage.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS*****Table RHS-44. Geographic Breakdown of Obligations Mutual Self-Help Housing Grants (thousands of dollars)***

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alaska	-	\$628	-	-
Arizona	\$488	1,289	-	-
Arkansas	788	944	-	-
California	6,681	10,211	-	-
Colorado	480	635	-	-
Delaware	1,738	1,195	-	-
District of Columbia	524	83	-	-
Florida	5,800	1,248	-	-
Hawaii	1,064	300	-	-
Idaho	520	-	-	-
Indiana	-	425	-	-
Maine	794	-	-	-
Maryland	485	-	-	-
Massachusetts	-	300	-	-
Mississippi	-	49	-	-
Missouri	366	-	-	-
Montana	-	1,605	-	-
New Jersey	-	397	-	-
New Mexico	-	169	-	-
North Carolina	-	1,369	-	-
Ohio	675	-	-	-
Oklahoma	1,789	3,874	-	-
Pennsylvania	-	470	-	-
Rhode Island	495	-	-	-
South Dakota	404	55	-	-
Tennessee	-	300	-	-
Texas	868	-	-	-
Utah	2,002	5,617	-	-
Washington	3,146	1,590	-	-
Western Pacific	360	30	-	-
Distribution Unknown	-	-	\$30,682	\$33,223
Obligations	29,466	32,784	30,682	33,223

**CLASSIFICATION BY OBJECTS*****Table RHS-45. Classification by Objects (thousands of dollars)***

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
41.0	Grants, subsidies, and contributions	\$29,466	\$32,784	\$30,682	\$33,223
99.9	Total, new obligations	29,466	32,784	30,682	33,223

***ACCOUNT 5: RURAL HOUSING ASSISTANCE GRANTS***

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets]):

Rural Housing Assistance Grants

For grants for very low-income housing repair and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, and 1490m, \$45,000,000, to remain available until expended.

**LEAD-OFF TABULAR STATEMENT**

***Table RHS-46. Lead-Off Tabular Statement (In dollars)***

<u>Item</u>	<u>Amount</u>
2021 Enacted	\$47,500,000
Change in Appropriation	<u>-2,500,000</u>
Budget Estimate, 2022	<u>45,000,000</u>

**PROJECT STATEMENT****Table RHS-47. Project Statement Appropriations (thousands of dollars)**

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	Chg Key	2022 Budget
Discretionary Appropriations:						
Very Low-Income Housing Repair Grants.....	\$30,000	\$30,000	\$30,000	-	(1)	\$30,000
Rural Housing Preservation Grants.....	15,000	15,000	15,000	-	(2)	15,000
GP Protecting Animals with Shelter.....	-	2,000	2,500	-2,500	(3)	-
Total Adjusted Approp.....	45,000	47,000	47,500	-2,500	-	45,000
Add back:.....						
Total Appropriation.....	45,000	47,000	47,500	-2,500	-	45,000
Recoveries, Other .....	1,528	1,764	1,800	-1,800		-
Bal. Available, SOY.....	5,618	12,610	14,126	+1,170		15,296
Total Available.....	52,146	61,373	63,426	-3,130	-	60,296
Bal. Available, EOY.....	-12,610	-14,126	-15,296	-		-15,296
Total Obligations.....	39,536	47,247	48,130	-3,130		45,000

**Table RHS-48. Project Statement Obligations (thousands of dollars)**

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Discretionary Obligations:					
Very Low-Income Housing Repair Grants.....	\$24,798	\$31,542	\$30,000	-	\$30,000
Rural Housing Preservation Grants.....	14,738	13,626	15,000	-	15,000
GP Protecting Animals with Shelter.....	-	2,000	2,500	-2,500	-
Compensation for Construction Defects Grants.....	-	79	-	-	-
Processing Workers Housing Grants.....	-	-	630	-630	-
Total Obligations.....	39,536	47,247	48,130	-3,130	45,000
Balances Available, EOY:					
Very Low-Income Housing Repair Grants.....	11,980	13,496	15,296	-	15,296
Processing Workers Housing Grants.....	630	630	-	-	-
Total Bal. Available, EOY.....	12,610	14,126	15,296	-	15,296
Total Available.....	52,146	61,373	63,426	-3,130	60,296
Less:					
Recoveries, Other .....	-1,528	-1,764	-1,800	+1,800	-
Bal. Available, SOY.....	-5,618	-12,610	-14,126	-1,170	-15,296
Total Appropriation.....	45,000	47,000	47,500	-2,500	45,000



## Rural Housing Assistance Grants

The numbers and letters of the following listing relates to values in the Change Key column of the Project Statement:

- (1) Section 504 Very Low-Income Housing Repair Grants straight-lined at the 2021 enacted level of \$30,000,000.

Housing repair grants allow very low-income elderly homeowners to remain in their homes and live independently. This program improves their quality of life by assuring a safe and functional environment. By providing these small grants, Rural Development secures decent, safe and affordable housing for rural residents. Funding is expected to provide about 4,200 grants across rural America.

- (2) Section 533 Rural Housing Preservation Grants straight-lined at the 2021 enacted level of \$15,000,000.

This program preserves multi-family housing and some single-family housing units through partnerships with various local public bodies and non-profit organizations. Maintaining the current level of funding is reasonable because demand for this program competes with the multifamily housing preservation and revitalization program, which is increased for 2022.

- (3) No continued funding for the program funded with General Provision 754 in the 2021 enacted bill entitled Protecting animals with Shelter (PAWS), (\$2,500,000 available in 2021).

Although the funding for this activity was provided to RHS, the program has been implemented through an agreement with the Department of Justice, which fully obligated the funding for RHS. The use of the funding by DOJ cannot be directly tracked by RHS, but it is apparent that DOJ has sufficient funding remaining on the agreement to continue operating the program without a new infusion of funding at this time. Therefore, the 2022 budget does not include a request for additional funding.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS*****Table RHS-49. Section 504 Very Low-Income Housing Repair Grants Geographic Breakdown of Obligations (thousands of dollars)***

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$248	\$349	-	-
Alaska	169	138	-	-
Arizona	604	554	-	-
Arkansas	368	354	-	-
California	416	573	-	-
Colorado	131	168	-	-
Connecticut	67	47	-	-
Delaware	-	11	-	-
Florida	383	532	-	-
Georgia	836	1,238	-	-
Hawaii	68	55	-	-
Idaho	65	105	-	-
Illinois	1,070	1,286	-	-
Indiana	521	789	-	-
Iowa	580	661	-	-
Kansas	88	75	-	-
Kentucky	1,073	1,446	-	-
Louisiana	649	663	-	-
Maine	280	433	-	-
Maryland	79	98	-	-
Massachusetts	26	36	-	-
Michigan	1,317	1,602	-	-
Minnesota	214	248	-	-
Mississippi	2,450	2,627	-	-
Missouri	375	335	-	-
Montana	151	75	-	-
Nebraska	158	132	-	-
Nevada	41	13	-	-
New Hampshire	497	436	-	-
New Jersey	135	180	-	-
New Mexico	336	355	-	-
New York	675	1,198	-	-
North Carolina	1,365	1,737	-	-
North Dakota	65	83	-	-
Ohio	701	613	-	-
Oklahoma	208	304	-	-
Oregon	151	193	-	-
Pennsylvania	668	1,236	-	-
Puerto Rico	433	434	-	-
Rhode Island	5	19	-	-
South Carolina	422	725	-	-
South Dakota	87	124	-	-
Tennessee	1,153	1,817	-	-
Texas	2,361	3,606	-	-
Utah	107	37	-	-
Vermont	427	287	-	-
Virginia	52	12	-	-
Wake Island	1,159	1,830	-	-
Washington	152	251	-	-
West Virginia	251	435	-	-
Wisconsin	311	536	-	-
Wyoming	8	37	-	-
Distribution Unknown	643	414	\$30,000	\$30,000
Obligations	24,798	31,542	30,000	30,000

**Table RHS-50. Section 533 Grants Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$370	\$318	-	-
Arizona	287	216	-	-
Arkansas	288	280	-	-
California	606	565	-	-
Colorado	-	102	-	-
Connecticut	120	106	-	-
Delaware	60	-	-	-
Florida	372	402	-	-
Georgia	643	572	-	-
Hawaii	120	96	-	-
Idaho	90	90	-	-
Illinois	197	274	-	-
Indiana	339	622	-	-
Iowa	274	163	-	-
Kansas	-	100	-	-
Kentucky	424	423	-	-
Louisiana	311	385	-	-
Maine	131	214	-	-
Maryland	324	350	-	-
Massachusetts	106	96	-	-
Michigan	392	361	-	-
Minnesota	223	202	-	-
Mississippi	1,263	540	-	-
Missouri	319	299	-	-
Montana	85	88	-	-
Nebraska	81	60	-	-
Nevada	42	-	-	-
New Hampshire	50	100	-	-
New Jersey	180	231	-	-
New Mexico	150	174	-	-
New York	318	357	-	-
North Carolina	568	546	-	-
North Dakota	200	70	-	-
Ohio	460	419	-	-
Oklahoma	315	-	-	-
Oregon	279	250	-	-
Pennsylvania	488	367	-	-
Puerto Rico	1,277	100	-	-
Rhode Island	-	50	-	-
South Carolina	367	327	-	-
South Dakota	83	-	-	-
Tennessee	125	464	-	-
Texas	990	1,475	-	-
Utah	120	152	-	-
Vermont	295	525	-	-
Virginia	353	323	-	-
Washington	242	-	-	-
West Virginia	-	253	-	-
Wisconsin	353	-	-	-
Wyoming	60	418	-	-
Distribution Unknown Obligations	-	101	\$15,000	\$15,000
	14,738	13,626	15,000	15,000

**Table RHS-51. Section 754: Title of GP Protecting Animals with Shelter Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Arizona	-	\$288	-	-
Missouri	-	400	-	-
New York	-	400	-	-
Oklahoma	-	199	-	-
Tennessee	-	400	-	-
Texas	-	312	\$2,500	-
Obligations	-	2,000	2,500	-

**Table RHS-52. Rural Housing Compensation for Construction Defects Grants Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Arkansas	-	\$40	-	-
Kentucky	-	36	-	-
North Carolina	-	3	-	-
Obligations	-	79	-	-

**Table RHS-53. Rural Housing Processing Workers Housing Grants Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown	-	-	\$630	-
Obligations	-	-	630	-

**CLASSIFICATION BY OBJECTS****Table RHS-54. Classification by Objects (thousands of dollars)**

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
41.0	Grants, subsidies, and contributions	\$39,536	\$47,247	\$48,130	\$45,000
	Total, Other Objects	39,536	47,247	48,130	45,000
99.9	Total, new obligations	39,536	47,247	48,130	45,000

**ACCOUNT 6: RURAL COMMUNITY FACILITIES PROGRAM****APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets): Rural Community Facilities Program Account

(including transfers of funds)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by section 306 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act, \$2,800,000,000 for direct loans and \$500,000,000 for guaranteed loans.

For the cost of direct loans, loan guarantees and grants, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, for rural community facilities programs as authorized by section 306 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act, \$74,000,000, to remain available until expended: *Provided*, That \$6,000,000 of the amount appropriated under this heading shall be available for a Rural Community Development Initiative: *Provided further*, That such funds shall be used solely to develop the capacity and ability of private, nonprofit community-based housing and community development organizations, low-income rural communities, and Federally Recognized Native American Tribes to undertake projects to improve housing, community facilities, community and economic development projects in rural areas: *Provided further*, That such funds shall be made available to qualified private, nonprofit and public intermediary organizations proposing to carry out a program of financial and technical assistance: *Provided further*, That such intermediary organizations shall provide matching funds from other sources, including Federal funds for related activities, in an amount not less than funds provided[: *Provided further*, That \$6,000,000 of the amount appropriated under this heading shall be to provide grants for facilities in rural communities with extreme unemployment and severe economic depression (Public Law 106-387), with up to 5 percent for administration and capacity building in the State rural development offices: *Provided further*, That of the amount appropriated under this heading, \$25,000,000 shall be available to cover the subsidy costs for loans or loan guarantees under this heading: *Provided further*, That if any such funds remain unobligated for the subsidy costs after June 30, 2021, the unobligated balance may be transferred to the grant programs funded under this heading]: *Provided further*, That any unobligated balances from prior year appropriations under this heading for the cost of direct loans, loan guarantees and grants, including amounts deobligated or cancelled, may be made available to cover the subsidy costs for direct loans and or loan guarantees under this heading in this fiscal year: *Provided further*, That no amounts may be made available pursuant to the preceding proviso from amounts that were designated by the Congress as an emergency requirement pursuant to a Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That [~~\$5,000,000~~]\$10,000,000 of the amount appropriated under this heading shall be available for community facilities grants to tribal colleges, as authorized by section 306(a)(19) of such Act: *Provided further*, That sections 381E-H and 381N of the Consolidated Farm and Rural Development are not applicable to the funds made available under this heading.

**Change Description**

The first change (lines 14 to 22 of paragraph 2) deletes language pertaining to funding provided for Community facilities loans that had a different risk category than the risk assumed in the subsidy rate. It also eliminates the funding for the Economic Impact Initiative program.

**LEAD-OFF TABULAR STATEMENT***Table RHS-55. Lead-Off Tabular Statement (Dollars in Thousands)*

<b>Item</b>	<b>Grants</b>	<b>Loan Level</b>	<b>Subsidy</b>
2021 Enacted	\$51,000,000	\$3,300,000,000	\$25,000,000
Change in Appropriation	-23,000,000	-	-25,000,000
Budget Estimate, 2022	74,000,000	3,300,000,000	-

**PROJECT STATEMENT**

*Table RHS-56. Project Statement Appropriations (thousands of dollars)*

Item	2019		2020		2021		Inc. or Dec.	Chg Key	2022		
	Actual	BA	Actual	BA	Enacted	BA			Budget	BA	
Discretionary Appropriations:											
Community Facilities Direct Loans.....	\$2,800,000	-	\$2,800,000	\$36,832	\$2,800,000	-	-	-	(1)	\$2,800,000	-
Community Facilities Guaranteed Loans.....	148,287	\$4,285	500,000	-	500,000	-	-	-	(2)	500,000	-
Community Facilities Modification Cost.....	-	-	-	-	-	\$25,000	-	-25,000	(3)	-	-
Community Facilities Grants.....	30,000	30,000	32,000	32,000	32,000	32,000	+26,000	+26,000	(4)	58,000	\$58,000
Rural Community Development Initiative Grants.....	6,000	6,000	6,000	6,000	6,000	6,000	-	-	(5)	6,000	6,000
Tribal College Grants.....	4,000	4,000	5,000	5,000	5,000	5,000	+5,000	+5,000	(6)	10,000	10,000
Economic Impact Initiative.....	5,778	5,778	6,000	6,000	6,000	6,000	-6,000	-6,000	(7)	-	-
GP Rural Hospitals Pilot.....	-	-	1,000	1,000	2,000	2,000	-2,000	-2,000	(8)	-	-
Subtotal.....	2,994,065	50,063	3,350,000	86,832	3,351,000	76,000	+23,000	-2,000		3,374,000	74,000
Mandatory Appropriations:											
American Rescue Act.....	-	-	-	-	475,000	475,000	-325,000	-325,000	(9)	175,000	175,000
Administrative Expenses: American Rescue Act.....	-	-	-	-	25,000	25,000	+150,000	+150,000	(9)	175,000	175,000
Supplemental Appropriations:											
Disaster Relief Grants P.L. 116-20.....	150,000	150,000	-	-	-	-	-	-		-	-
Total Adjusted Approp.....	3,144,065	200,063	3,350,000	86,832	3,876,000	576,000	-327,000	-327,000	-	3,549,000	249,000
Add back:.....											
Rescission, Transfers In and Out.....	-	-	-	-36,832	-	-	-	-	-	-	-
Sequestration.....	-	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	3,144,065	200,063	3,350,000	50,000	3,876,000	576,000	-327,000	-327,000	-	3,549,000	249,000
Transfers In*:											
Interchange Trans. (RUS W&W to CF Direct).....	-	-	-	36,832	-	-	-	-		-	-
Recoveries, Other.....	247,071	4,145	206,569	3,595	212,000	3,840	+8,000	+310		220,000	4,150
Bal. Available, SOY.....	206,012	7,696	310,815	160,023	492,182	135,141	-180,182	+176,859		312,000	312,000
Total Available.....	3,597,148	211,905	3,867,383	250,450	4,580,182	714,981	-499,182	-149,831	-	4,081,000	565,150
Lapsing Balances.....	-2,366,565	-	-1,892,335	-1,000	-1,807,322	-1,981	84,621	130		-1,722,701	-1,851
Bal. Available, EOY.....	-310,815	-160,023	-492,182	-135,142	-312,000	-312,000	-2,299	-2,299		-314,299	-314,299
Total Obligations.....	919,769	51,882	1,482,866	114,308	2,460,860	401,000	-416,860	-152,000		2,044,000	249,000

**Table RHS-57. Project Statement Obligations (thousands of dollars)**

Item	2019 Actual		2020 Actual		2021 Enacted		Inc. or Dec.	2022 Budget		
	BA		BA		BA			BA		
<b>Discretionary Obligations:</b>										
Community Facilities Direct Loans.....	\$764,827	-	\$1,267,840	-	\$1,970,000	-	-286,000	-	\$1,684,000	-
Community Facilities Guaranteed Loans .....	104,616	\$1,556	100,718	-	114,860	-	-3,860	-	111,000	-
Community Facilities Modification Cost.....	-	-	-	-	25,000	\$25,000	-25,000	-25,000	-	-
Community Facilities Grants .....	34,072	34,072	34,372	\$34,372	32,000	32,000	+26,000	+26,000	58,000	\$58,000
GP Hospital Pilot.....	-	-	1,000	1,000	2,000	2,000	-2,000	-2,000	-	-
Rural Community Development Initiative Grants .....	6,429	6,429	6,504	6,504	6,000	6,000	-	-	6,000	6,000
Tribal College Grants.....	4,011	4,011	5,178	5,178	5,000	5,000	+5,000	+5,000	10,000	10,000
Community Facilities Disaster Grants.....	-	-	59,479	59,479	-	-	-	-	-	-
Essential Community Facilities TAT Grants.....	-	-	1,500	1,500	-	-	-	-	-	-
Administrative Expenses: Economic Impact Initiative..	-	-	589	589	-	-	-	-	-	-
Economic Impact Initiative.....	5,815	5,815	5,686	5,686	6,000	6,000	-6,000	-6,000	-	-
Subtotal Disc oblig.....	919,769	51,882	1,482,866	114,308	2,160,860	76,000	-291,860	-2,000	1,869,000	74,000
<b>Mandatory Obligations:</b>										
American Rescue Act.....	-	-	-	-	300,000	300,000	-125,000	-125,000	175,000	175,000
Administrative Expenses: American Rescue Act.....	-	-	-	-	-	25,000	-	-25,000	-	-
Subtotal .....	-	-	-	-	300,000	325,000	-125,000	-150,000	175,000	175,000
Total Obligations.....	919,769	51,882	1,482,866	114,308	2,460,860	401,000	-416,860	-152,000	2,044,000	249,000
Add back.....	-	-	-	-	-	-	-	-	-	-
Lapsing Balances.....	2,366,565	-	1,892,335	1,000	1,757,322	1,981	-34,621	-130	1,722,701	1,851
Rescinded Balances.....	-	-	-	-	-	-	-	-	-	-
<b>Balances Available, EOY:</b>										
Community Facilities Guaranteed Loans .....	143,895	4,825	399,282	2,074	-	-	-	-	-	-
Modification Cost.....	-	-	-	40,168	34,894	34,894	-34,894	-34,894	-	-
2008 Disasters Community Facility Loan -Guaranteed American Rescue Act.....	11,722	-	-	-	175,000	175,000	-124,417	-124,417	50,583	50,583
Community Facility Grants.....	4,091	4,091	1,005	1,005	3,500	3,500	-1,000	-1,000	2,500	2,500
Rural Community Development Initiative Grants.....	526	526	301	301	2,000	2,000	-	-	2,000	2,000
Persistent Poverty Grants .....	-	-	396	396	800	800	-	-	800	800
Tribal College Grants.....	-	-	-	-	4,525	4,525	-375	-375	4,150	4,150
Economic Impact Initiative Grants.....	248	248	787	787	870	870	-20	-20	850	850
Econ Impact Admin Costs.....	289	289	-	-	-	-	-	-	-	-
Disaster Relief Grants P.L. 116-20.....	150,043	150,043	90,411	90,411	90,411	90,411	-11,995	-11,995	78,416	78,416
Total Bal. Available, EOY.....	310,815	160,023	492,182	135,142	312,000	312,000	-172,701	-172,701	139,299	139,299
Total Available.....	3,597,148	211,905	3,867,383	250,450	4,530,182	714,981	-624,182	-324,831	3,906,000	390,150
Recoveries, Other .....	-247,071	-4,145	-206,569	-3,595	-212,000	-3,840	-8,000	-310	-220,000	-4,150
Bal. Available, SOY.....	-206,012	-7,696	-310,815	-160,023	-492,182	-135,141	+180,182	-176,859	-312,000	-312,000
Total Appropriation.....	3,144,065	200,063	3,350,000	50,000	3,826,000	576,000	-452,000	-502,000	3,374,000	74,000



## Community Facilities Program Account

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

- (1) The Direct Community Facility (CF) Loan Level is straight-lined at the 2021 enacted amount of \$2,800,000,000.

This negative-subsidy program provides low-interest, direct loans to public bodies, community-based nonprofit corporations, and Federally-recognized Tribes to develop essential community facilities in rural areas. A funding level of \$2.8 billion for the direct loan program will continue to strengthen rural communities across America, delivering this critical program to communities to meet infrastructure needs. The loan level is projected to meet anticipated demand and can be delivered with the existing staffing levels. Continued leveraging of financial resources from the capital credit markets and other funding partners will ensure this programs success.

Direct loans are primarily targeted to health care, education, and public safety. This program has obligated 542 direct loans, totaling \$1.27 billion in 2020. Of which, 26 loans totaling \$77.2 million, were in persistent poverty areas, primarily in the Southeastern states of LA, MS, AL and NC, as well as OH and VA.

- (2) The Guaranteed Community Facility (CF) Loans Level is straight-lined at the 2021 enacted level of \$500,000,000.

This program originated as an inexpensive alternative to the equivalent direct loan program and is available to public bodies, community-based nonprofit corporations, and Federally-recognized Tribes to develop essential community facilities in rural areas. The guaranteed loan program serves the same organizations and purposes as the direct loan funding, the primary difference being that the guaranteed loans are made and serviced by a bank or other commercial lender and guaranteed by the Federal government.

A funding level of \$500 million for the guaranteed loan program will continue to strengthen rural communities across America, delivering this critical program to communities to meet infrastructure needs. The loan level is projected to meet anticipated demand and can be delivered with the existing staffing levels. Continued leveraging of financial resources from the capital credit markets and other funding partners will ensure this programs success.

This program has obligated 26 guaranteed loans in 2020, totaling \$100.7 million, across the US.

- (3) An increase of \$1,000,000 for Community Facilities (CF) Grants and/or modification costs for a total 2022 Budget request of \$58,000,000.

The CF Grant Program provides funding to eligible communities to develop essential community facilities in rural areas. such as hospitals, medical and dental clinics, town halls, courthouses, museums, libraries, street improvements, and transitional housing. CF grants can also be used in conjunction with loans to meet funding needs or to defray pre-development and compliance-associated costs. In 2021, the grant funding was increase by \$25 million, which was provided additional authority and flexibility to be used for modification costs for loans over \$100 million that did not fall within the risk analysis of the regular CF direct loan subsidy rate. Modifications

are not anticipated to be needed for 2022, so the funding is reflected all in regular CF grants for 2022.

In 2020, 673 grants, totaling more approximately \$28.1 million were awarded. This grant program is one of the primary programs furthering the Department's goal to develop rural communities through the financing of community infrastructure projects that spur economic growth, job creation and improve access to essential facilities and services. By providing grants to nonprofit organizations in high-need, high-poverty areas to develop or improve essential community facilities and services, it ensures that rural residents have access to good schools, quality healthcare, and adequate public safety facilities and service. The grant recipients are equally disbursed across the US, and the demand for the program has increased over the last five years. This program will be instrumental in providing funds for local communities that have less access to financing.

(4) Rural Community Development Initiative Grants are straight-lined at the 2021 enacted level of \$6,000,000.

This grant program provides assistance for intermediary organizations to provide technical assistance and capacity building to rural nonprofit community-based organizations, low-income rural communities, and Federally-recognized Indian Tribes. Grants allow organizations to undertake projects related to community and economic development by helping develop the capacity and ability of private, nonprofit community-based housing and community development organizations, and low-income rural communities to improve community facilities and community and economic development projects in rural areas. In addition, RCDI supports regional innovation efforts and regional economic development, which can bring together multiple units of government and nonprofit organizations, developing their capacities to collaborate to create needed jobs and economic hubs through increased development.

The program awarded 33 grants at over \$6.5 million in 2020.

(5) An increase of \$5,000,000 for Tribal College Grants (\$5,000,000 available in 2021).

The CF Tribal College Grants Program provides funding to 1994 Land Grant Institutions (Tribal Colleges) to purchase equipment and make capital improvements to educational facilities. Eligible projects include, but are not limited to: schools, libraries, dorms, education equipment, and vehicles. Tribal colleges and universities maintain, preserve, and restore Native languages and cultural traditions, offer a high-quality college education, and provide career and technical education, job training, and other career-building programs. An educated and skilled workforce is essential for attracting new business, quality jobs, and economic prosperity.

Grant obligations in 2020 were \$5.1 million across 31 grants which supported high-quality education, career-building opportunities, and expansion of STEM (Science, Technology, Engineering, and Math) education opportunities in Tribal colleges and universities. Seven grants were awarded to tribal colleges and universities in Montana, five in North Dakota, three each in South Dakota and Minnesota, two each in New Mexico, Nebraska, Wisconsin, Arizona, and one each in Alaska, Washington, Oklahoma, and Michigan. The Upper-Midwest was allocated over 68% of the total funding in 2020.

(6) A decrease of \$6,000,000 for Economic Impact Initiative Grants (\$6,000,000 available in 2021).

This program is for CF grants with added criteria that community must be characterized as having high-unemployment or out-migration. No funding is requested in the 2022 budget because eligible recipients can get the same funding through the regular CF grants without having to verify the additional eligibility.

(7) A decrease of \$2,000,000 for Community Facilities Hospital Pilot project (\$2,000,000 available in 2021).

This program is not requested in the 2022 budget as funding for technical assistance for rural hospitals can be provided through the community facilities grants, which is requested at \$58 million in 2022. With the funding provided in prior years, the agency has entered into a cooperative agreement with the National Rural Health Association to provide technical assistance to rural hospitals to improve long-term operations and financial health. This technical assistance focused on strengthening hospitals and improving rural communities' access to healthcare. The agency is planning to obligate the \$2 million provided in the 2021 appropriations. This type of technical assistance can be provided with the funding requested in the CF grant hence there is no need for requesting this funding.

**PROPOSED LEGISLATION: AMERICAN JOBS PLAN MANDATORY PROPOSAL**

**Program: USDA’s Main Street Revitalization Programs**

*Proposal*

As part of the American Jobs Plan, the 2022 Budget proposes to invest \$250 million to support "Main Street" revitalization programs at USDA through the Rural Community Facilities Grant Program

*Rationale*

Community Infrastructure The American Jobs Plan will include a number of funding proposals for community infrastructure that will support innovative, community-led redevelopment projects in rural and urban areas. As part of that effort, \$250 million will be for rural areas through USDA.

*Goal*

The funding is expected to spark new economic activity, provide services and amenities, build community wealth, and close the current gaps in access to the innovation economy for communities of color and rural residents.

**Table RHS-58. American Jobs Plan (millions of dollars)**

<b>Item</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>10 Year Total</b>
Budget Authority (millions)	-	-	\$250	\$250
Outlays (millions)	-	-	\$38	\$250

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS****Table RHS-59. Community Facilities Direct Loans Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$10,499	\$15,593	-	-
Alaska	3,035	-	-	-
Arizona	681	3,433	-	-
Arkansas	350	600	-	-
California	3,699	1,241	-	-
Colorado	26,063	19,424	-	-
Connecticut	-	40	-	-
Delaware	7,650	5,940	-	-
Florida	3,860	5,361	-	-
Georgia	1,198	13,850	-	-
Hawaii	13,450	700	-	-
Idaho	5,424	8,633	-	-
Illinois	43,706	5,510	-	-
Indiana	764	1,645	-	-
Iowa	268	88,899	-	-
Kansas	7,353	58,211	-	-
Kentucky	213	30,261	-	-
Louisiana	14,610	85,222	-	-
Maine	13,357	6,038	-	-
Massachusetts	250	-	-	-
Michigan	24,944	20,070	-	-
Minnesota	2,331	71,822	-	-
Mississippi	-	7,008	-	-
Missouri	334	5,262	-	-
Montana	3,899	44	-	-
Nebraska	24,130	11,649	-	-
Nevada	2,731	2,060	-	-
New Hampshire	-	27,403	-	-
New Jersey	-	20	-	-
New Mexico	446	-	-	-
New York	11,676	10,030	-	-
North Carolina	87,020	114,588	-	-
North Dakota	2,658	122,929	-	-
Ohio	78,557	20,937	-	-
Oklahoma	-	189	-	-
Oregon	-	5,500	-	-
Pennsylvania	106,423	66,901	-	-
Puerto Rico	18,425	-	-	-
South Carolina	26,032	44,720	-	-
South Dakota	5,065	31,882	-	-
Tennessee	78,152	148,771	-	-
Texas	50,303	5,781	-	-
Utah	9,063	9,675	-	-
Vermont	5,730	65,497	-	-
Virginia	33,220	5,783	-	-
Washington	65	36,710	-	-
West Virginia	20,456	5,883	-	-
Wisconsin	11,140	34,242	-	-
Wyoming	5,600	20,183	-	-
Distribution Unknown	-	21,700	\$1,970,000	\$1,684,000
Obligations	764,827	1,267,840	1,970,000	1,684,000

**Table RHS-60. Community Facilities Guaranteed Loans Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021	2022
			Enacted	Budget
California	\$2,700	\$1,215	-	-
Colorado	7,000	3,657	-	-
Florida	3,000	6,092	-	-
Hawaii	3,980	1,775	-	-
Idaho	6,441	-	-	-
Illinois	4,000	-	-	-
Iowa	150	1,000	-	-
Kansas	-	13,384	-	-
Kentucky	23,575	4,750	-	-
Louisiana	-	8,005	-	-
Maine	-	3,400	-	-
Michigan	1,641	1,800	-	-
Minnesota	4,800	3,000	-	-
Nebraska	5,805	-	-	-
North Carolina	9,990	9,647	-	-
North Dakota	897	21,000	-	-
Oklahoma	-	290	-	-
Pennsylvania	16,075	-	-	-
South Carolina	970	1,521	-	-
South Dakota	-	7,518	-	-
Texas	-	1,640	-	-
Utah	2,388	3,224	-	-
Virginia	5,000	-	-	-
West Virginia	2,259	-	-	-
Wisconsin	1,490	7,800	-	-
Wyoming	2,455	-	-	-
Distribution Unknown	-	-	\$114,860	\$111,000
Obligations	104,616	100,718	114,860	111,000

**Table RHS-61. Community Facilities Grants Geographic Breakdown of Obligations  
(thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	\$1,063	\$730	-	-
Alaska	201	151	-	-
American Samoa	-	-	-	-
Arizona	604	498	-	-
Arkansas	1,095	1,755	-	-
California	888	1,323	-	-
Colorado	353	517	-	-
Connecticut	131	100	-	-
Delaware	211	190	-	-
Florida	1,055	969	-	-
Georgia	802	958	-	-
Hawaii	-	62	-	-
Idaho	8	102	-	-
Illinois	668	354	-	-
Indiana	521	557	-	-
Iowa	927	474	-	-
Kansas	313	604	-	-
Kentucky	1,034	1,046	-	-
Louisiana	231	564	-	-
Maine	316	450	-	-
Maryland	319	265	-	-
Massachusetts	90	214	-	-
Michigan	1,517	1,359	-	-
Minnesota	857	636	-	-
Mississippi	1,096	1,500	-	-
Missouri	812	794	-	-
Montana	1,120	291	-	-
Nebraska	485	213	-	-
Nevada	184	247	-	-
New Hampshire	291	354	-	-
New Jersey	213	314	-	-
New Mexico	588	473	-	-
New York	730	879	-	-
North Carolina	1,139	1,252	-	-
North Dakota	889	365	-	-
Ohio	887	1,002	-	-
Oklahoma	1,500	1,917	-	-
Oregon	232	367	-	-
Pennsylvania	1,125	1,110	-	-
Puerto Rico	100	50	-	-
Rhode Island	179	145	-	-
South Carolina	2,765	2,511	-	-
South Dakota	621	413	-	-
Tennessee	1,183	1,185	-	-
Texas	1,293	1,046	-	-
Utah	184	191	-	-
Vermont	732	774	-	-
Virginia	899	1,214	-	-
Washington	295	543	-	-
West Virginia	494	583	-	-
Wisconsin	683	666	-	-
Wyoming	152	48	-	-
Distribution Unknown	-	50	\$32,000	\$58,000
Obligations	34,072	34,372	32,000	58,000

**Table RHS-62. Rural Community Development Initiative Grants Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021	2022
			Enacted	Budget
Alabama	\$250	-	-	-
Alaska	121	-	-	-
Arizona	250	\$500	-	-
California	600	725	-	-
Colorado	-	210	-	-
Delaware	-	224	-	-
Georgia	100	368	-	-
Hawaii	-	131	-	-
Idaho	150	-	-	-
Indiana	-	142	-	-
Iowa	120	180	-	-
Kentucky	350	-	-	-
Maine	193	50	-	-
Maryland	500	671	-	-
Massachusetts	-	250	-	-
Minnesota	65	-	-	-
Missouri	223	240	-	-
Montana	213	165	-	-
Nebraska	99	125	-	-
New Hampshire	189	220	-	-
New Mexico	250	-	-	-
New York	250	250	-	-
North Carolina	-	250	-	-
Ohio	250	303	-	-
Oklahoma	-	250	-	-
Oregon	50	110	-	-
Pennsylvania	100	-	-	-
Puerto Rico	250	-	-	-
South Dakota	370	250	-	-
Tennessee	500	608	-	-
Texas	88	-	-	-
Vermont	250	100	-	-
Virginia	150	182	-	-
Washington	500	-	-	-
Distribution Unknown	-	-	\$6,000	\$6,000
Obligations	6,429	6,504	6,000	6,000



**Table RHS-63. Economic Impact Initiative Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Arizona	\$102	\$107	-	-
Arkansas	237	144	-	-
California	386	415	-	-
Delaware	10	-	-	-
Florida	172	177	-	-
Georgia	363	213	-	-
Illinois	107	-	-	-
Iowa	193	825	-	-
Kentucky	161	166	-	-
Louisiana	126	131	-	-
Maine	87	92	-	-
Maryland	81	80	-	-
Michigan	338	237	-	-
Minnesota	112	116	-	-
Mississippi	261	145	-	-
Missouri	175	151	-	-
Montana	72	-	-	-
Nebraska	74	79	-	-
Nevada	19	70	-	-
New Hampshire	71	76	-	-
New Jersey	70	69	-	-
New Mexico	81	86	-	-
New York	159	164	-	-
North Carolina	169	213	-	-
North Dakota	56	68	-	-
Ohio	177	182	-	-
Oklahoma	734	548	-	-
Oregon	-	66	-	-
Pennsylvania	206	183	-	-
South Carolina	157	154	-	-
South Dakota	69	94	-	-
Tennessee	174	179	-	-
Texas	65	67	-	-
Vermont	67	72	-	-
Virginia	333	169	-	-
Washington	33	-	-	-
West Virginia	107	112	-	-
Wisconsin	12	-	-	-
Distribution Unknown	-	36	\$6,000	-
Obligations	5,814	5,686	6,000	-

**Table RHS-64. Tribal College Grants Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alaska	\$138	\$181	-	-
Arizona	275	362	-	-
Michigan	275	161	-	-
Minnesota	356	404	-	-
Montana	913	1,169	-	-
Nebraska	275	363	-	-
New Mexico	275	363	-	-
North Dakota	689	907	-	-
Oklahoma	138	181	-	-
South Dakota	400	543	-	-
Washington	138	181	-	-
Wisconsin	138	363	-	-
Distribution Unknown	-	-	\$5,000	\$10,000
Obligations	4,011	5,178	5,000	10,000

**Table RHS-65. Community Facilities Disaster Grants (Cumulative) Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country			2021	2022
	2019 Actual	2020 Actual	Enacted	Budget
Alabama	-	\$697	-	-
Arizona	-	295	-	-
Arkansas	-	1,108	-	-
California	-	5,608	-	-
Florida	-	1,186	-	-
Georgia	-	1,377	-	-
Illinois	-	1,074	-	-
Indiana	-	478	-	-
Iowa	-	1,235	-	-
Kansas	-	360	-	-
Kentucky	-	2,718	-	-
Louisiana	-	97	-	-
Maryland	-	500	-	-
Michigan	-	1,445	-	-
Minnesota	-	1,464	-	-
Mississippi	-	1,549	-	-
Missouri	-	4,625	-	-
Nebraska	-	787	-	-
New Hampshire	-	544	-	-
New Jersey	-	474	-	-
New York	-	149	-	-
North Carolina	-	8,368	-	-
North Dakota	-	167	-	-
Ohio	-	3,167	-	-
Oklahoma	-	6,892	-	-
Oregon	-	1,274	-	-
Pennsylvania	-	2,481	-	-
South Carolina	-	249	-	-
South Dakota	-	475	-	-
Tennessee	-	3,096	-	-
Texas	-	16	-	-
Vermont	-	1,340	-	-
Virginia	-	952	-	-
Washington	-	573	-	-
West Virginia	-	135	-	-
Western Pacific	-	75	-	-
Wisconsin	-	2,450	-	-
Distribution Unknown	-	-	-	-
Obligations	-	59,479	-	-

**Table RHS-66. Community Facilities Essential Community Facilities Grants Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Arizona	-	\$150	-	-
Arkansas	-	150	-	-
Colorado	-	148	-	-
Illinois	-	150	-	-
Iowa	-	150	-	-
Kentucky	-	54	-	-
Maryland	-	150	-	-
New Hampshire	-	110	-	-
Oklahoma	-	87	-	-
Vermont	-	150	-	-
Virginia	-	150	-	-
Washington	-	50	-	-
Distribution Unknown Obligations	-	-	-	-
	-	1,500	-	-

**Table RHS-67. Community Facilities Modification Cost Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown Obligations	-	-	\$25,000	-
Total, Available	-	-	25,000	-

**Table RHS-68. Rural Hospital Pilot Program Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown Obligations	-	\$1,000	\$2,000	-
Total, Available	-	1,000	2,000	-

**Table RHS-69. American Rescue Act Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown Obligations	-	-	\$300,000	\$175,000
Total, Available	-	-	300,000	175,000

**Table RHS-70. Administrative Expenses: Economic Impact Initiative Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown	-	\$589	-	-
Obligations	-	589	-	-
Total, Available	-	589	-	-

**CLASSIFICATION BY OBJECTS**

**Table RHS-71. Classification by Objects (thousands of dollars)**

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
41.0	Grants, subsidies, and contributions	\$51,882	\$114,308	\$401,000	\$249,000
	Total, Other Objects	51,882	114,308	401,000	249,000
99.9	Total, new obligations	51,882	114,308	401,000	249,000

## **STATUS OF PROGRAMS**

The Rural Housing Service (RHS) offers a variety of programs to build or improve housing and essential community facilities in rural areas. Funds are disseminated via loans, grants, and loan guarantees for purposes that include, but are not limited to: single- and multi-family housing, child-care centers, fire and police stations, hospitals, libraries, nursing homes, schools, first responder vehicles and equipment, and housing for farm laborers. RHS also provides technical assistance loans and grants in partnership with non-profit organizations, Indian tribes, state and Federal government agencies and local communities. RHS programs support USDA's Strategic Goal 4 of facilitating rural prosperity and economic development by addressing two fundamental concerns. RHS programs support the critical infrastructure of housing by increasing housing affordability and providing homes, which improves the quality of life for rural families.

### **Single Family Housing (SFH) Programs**

The RHS operates/administers a number of Single-Family Housing (SFH) programs that provide loans, grants, and guarantees to finance the construction, purchase, and repair of single-family homes that enable very-low, low, and moderate income individuals and families to live in decent, safe, sanitary, and affordable housing. In 2020, RHS obligated 151,558 SFH loans totaling \$24.1 billion (up from \$15.9 billion in 2019), as detailed in the following sections.

#### **Section 502 Single Family Housing Direct Loan Program (SFHDP)**

Under this program, RHS directly underwrites and services fixed-interest mortgage loans to low- and very-low-income individuals and families who are unable to obtain credit elsewhere. Funds may be used to purchase, build, renovate, or repair a home, and to prepare a site, including providing water and sewage facilities. The program also provides "supervised credit", including pre-loan and post-loan credit counseling to borrowers to help them maintain their homes during financial crises. Loans are subsidized at a graduated interest rate from 1 percent over Treasury's cost of money, depending on applicant's income. Applicants may obtain 100 percent financing and loans are for up to 33 years (38 years for those with incomes below 60 percent of the area median household income). Interest rates are determined so that a family pays from 22 to 26 percent of their income for principal, interest, taxes, and insurance. To make loans more affordable, RD funding can be combined/leveraged with other programs such as:

- Habitat for Humanity
- Local Housing Authorities
- Community Action Council
- Other Funders

#### **Fiscal Year 2020 data and demographics for the SFHDP**

- **Total Obligations:** RHS obligated 5,821 SFHD Loans totaling \$1.001 billion in FY 2020.
- **Borrower Income Eligibility:** Total obligations include \$398 million that was obligated in 2020 to very-low-income borrowers, and \$594 million was obligated to low-income borrowers. (At least 40 percent of the funds appropriated each year must be used to assist families with incomes less than 50 percent of area median income (AMI)). Also, included in total obligations was \$9.3 million for Colonias and Empowerment Zones/Enterprise Communities.
- **Race:** Composition of SFHDP borrowers in 2020 was 76.15 percent white and 23.85 percent other ethnicities.

### Current Activities

- **COVID-Related:** In FY 2020, RHS staff spoke with 32,797 Single Family Housing Direct borrowers to discuss their servicing options relative to the COVID-19 pandemic and processed 17,908 SFH Direct Moratoriums.

### Regulatory-Related

- **Proposed Rule:** On 11/25/19, RHS published a [Proposed Rule](#) titled “SFH Direct Loan and Grant Programs: Environmental Impact Statements” in which RHS proposed amending its regulations to update and improve the SFH Direct loan and grant program. The proposed changes are intended to increase program flexibility, allow more borrowers to access affordable loans, better align the program with best practices, and enable the programs to be more responsive to economic conditions and trends. The comment period for this Proposed Rule has ended and the agency is in the process of reviewing comments.
- **Final Rule:** On 6/17/20, USDA, published a [Debt Management](#) Final Rule which consolidated existing debt collection regulations used by certain USDA agencies (including RHS); eliminated obsolete debt collection regulations; and adjusted USDA civil monetary penalties as required by the 2015 Civil Penalties Act.

### Section 502 Single Family Housing Guaranteed Loan Program (SFHGP)

Under this program, RD guarantees mortgage loans made by qualified commercial lenders to eligible applicants to purchase new or existing dwellings, or new manufactured homes in rural areas. The program is designed to serve low- and moderate-income rural residents who have a steady income but are unable to obtain adequate housing through conventional financing. The mortgage guarantee substantially reduces the risk for lenders, thus encouraging them to make loans to rural residents who have only modest incomes and modest collateral. There are many benefits to the SFHGP over a conventional mortgage, which include:

- Zero money down financing.
- No private mortgage insurance.
- Closing costs and lender fees can be rolled into the loan.
- Gifted funds, grants, Mortgage Credit Certificates (MCC's) and seller concessions can be used.
- Renovation and repair costs can be included in the loan amount.
- Not restricted to first-time homebuyers.

### Fiscal Year 2020 data and demographics for SFHGP

- **Total Obligations:** The total 2020 number of SFHGP loans and obligations were as follows:
  - Fee Purchase loans: 128,807 loans with total obligations of \$21.4 billion.
  - Fee Refinanced loans: 9,163 loans with total obligations of \$1.6 billion.
  - Total SFHG loans combined: 137,970 loans with total obligations of \$23 billion.
- **Income:** 2020 data indicates the following:
  - Fee Purchase Loans: moderate-income total obligations of \$17.175 billion. Low-income total obligations of \$3.690 billion.
  - Fee Refinanced Loans: moderate-income obligations of \$1.361 billion Low-income obligations of \$231 million.
- **Race:** 2020 data indicates the following:
  - Fee Purchase Loans: 90.42 percent white; 9.58 percent non-white.
  - Fee Refinanced Loans: 92.80 percent white; 7.20 percent non-white.

### Current Activities

- **Delegation of Loan Guarantee Approval:** The agency plans to delegate loan guarantee approval authority to preferred lenders who will issue guarantees themselves, without involvement of agency staff. The preferred lenders and the delegated loans will be monitored carefully to ensure continuing compliance. Non-preferred lenders will continue to submit loans for agency review. This initiative includes implementing IT upgrades to establish private sector access to Government accounting systems in a safe and secure fashion, building robust data analysis tools, and requiring lender monitoring reports to reduce risk.

### Regulatory-Related

- On 12/26/19, RHS published a **Single Family Housing Guaranteed Loan Program Final Rule** that streamlined the loss claim process for lenders who have acquired title to property through voluntary liquidation or foreclosure. The rule better aligns loss mitigation policies with the mortgage industry and finalizes the earlier proposed rule with some revisions. The rule also clarifies that lenders must comply with applicable laws, including those within the purview of the Consumer Financial Protection Bureau (CFPB).
- On 6/17/20, USDA, published a **Debt Management** Final Rule which consolidated existing debt collection regulations used by certain USDA agencies (including RHS); eliminated obsolete debt collection regulations; and adjusted USDA civil monetary penalties as required by the 2015 Civil Penalties Act.

2020 data for all other Single-Family Housing Programs is provided in the table below:

#### 2020 Financial/Performance Data All Other SFH Programs

Program	Total Obligation Amount (Dollars in Million)	Total No. Loans or Grants
Sec. 509 Compensation for Construction Defects	\$ .08	3
Sec. 502 Credit Sales of Acquired Property SFHD	\$ .47	4
Sec. 504 Housing Repair Grants	\$33.5	4,843
Sec. 504 Housing Repair Loans	\$16.6	2,739
Sec. 523 Mutual and Self-Help Housing Grants	\$32.8	53
<b>TOTAL</b>	<b>\$83.5</b>	<b>7,642</b>

### **Multi-Family Housing Programs**

The RHS operates/administers a number of Multi-Family Housing (MFH) programs that provide loans, grants, and loan guarantees to eligible applicants to finance the preservation/revitalization, development, construction, and purchase of MFH properties in rural areas for purposes of enabling very low-, low-, and moderate-income individuals and families to live in decent, safe,



sanitary, and affordable housing. In 2020, nine MFH programs obligated funding totaling \$389.4 million and provided 7,785 loans as detailed in the following sections.

#### Section 538 Multi-Family Housing (MFH) Guaranteed Rural Rental Housing (GRRH) Loan Program

The 2020 program accomplishments include obligations of 150 loans totaling \$228.5 million, and publication of a Final Rule (FR) in the Federal Register, termed the “Section 538 Guaranteed Rural Rental Housing Program Change in Initial Guarantee Fee and Annual Guarantee Fee.” This FR amended the regulation pertaining to the fees the Secretary of Agriculture is authorized, by section 538(g), to charge to lenders for loan guarantees. The fees are required to be used to offset program loan guarantee costs. This change will allow the agency to retain the flexibility to reduce the fees without the requirement of congressional appropriations, advancing USDA’s strategic goal of delivering programs effectively and efficiently.

The following table provides financial/performance data for all other MFH programs.

#### 2020 Financial/Performance Data All Other MFH Programs

Program	Total Obligation Amount (Dollars in Million)	Total No. Loans or Grants
Sec. 514 Direct Farm Labor Housing Loans	\$19.9	15
Sec. 515 Rural Rental Housing (RRH) New Construction Loans	\$36	35
Sec. 515 RRH Rehab and Repair Loans (Disasters and Persistent Poverty)	\$4	4
Sec. 516 Farm Labor Housing Grants	\$8.9	7
Sec. 533 Housing Preservation Grants	\$13.6	125
Sec. 515 MFH Revitalization and Preservation grants	\$0.25	5
Sec. 515 MFH Revitalization and Preservation Loans	\$44	80
Rural Housing Voucher Grants	\$34.5	7,489
<b>TOTAL</b>	<b>\$161.15</b>	<b>7,760</b>

#### Rental Assistance

To maintain section 515 rural rental housing and section 514 farm labor housing loan portfolios, MFH obligated over \$1.4 billion in rental assistance. This program provided assistance to 241,208 tenants. This rental subsidy maintains housing affordability for tenants, ensuring that rents do not exceed 30 percent of income. In addition to increasing household security, this assistance enables greater property and community stability in rural areas throughout the country. Rental Assistance (RA) funding was used as follows: Elderly properties, 32 percent; family properties, 64 percent; and farm labor housing, 4 percent. The average household income in 2020 was \$14,131; the average income of households receiving (RA) was \$11,669.

## Community Facilities Programs

The RHS administers several Community Facilities (CF) programs that provide loans, grants, and guarantees to help rural communities build or improve essential community facilities and community infrastructure. Public bodies, non-profit organizations, and federally recognized Indian Tribes can use these funds to construct, expand or improve facilities that provide health care, education, public safety and public services. In addition, grants for disaster relief, technical assistance and training, and community and economic development support rural communities in building long-term capacity and tackling urgent challenges such as disaster recovery. These loans and grants help ensure that rural areas enjoy the same basic quality of life and services as residents of urban areas. In 2020, eighteen CF programs obligated 1,777 grants totaling \$113.8 million, and 574 loans totaling \$1.37 billion, as detailed in the following sections. Nearly 22 percent of these loans/grants were made in distressed communities identified as having persistent poverty, low employment and high population loss.

### CF Grant Funds

Program	Total Obligation (Dollars in Millions)	Total No. CF Grants
Community Facility 2019 Disaster Grants - Tornadoes, Floods, Other	\$42.1	551
Community Facility Grants	\$28.1	673
Community Facility 2019 Disaster Grants - hurricane Florence	\$7.8	40
Rural Community Development Initiative Grants	\$6.5	33
Economic Impact Initiative Grants	\$5.7	179
Community Facility Native American Tribes Grants	\$5.2	31
Community Facility Persistent Poverty Grants	\$5.0	127
Community Facility 2019 Disaster Grants - Hurricane Michael	\$4.2	69
Community Facility 2019 Disaster Grants – Technical Assistance & Training	\$3.4	25
Community Facility 2019 Disaster Grants - 2018 Wildfires	\$2.0	13
Essential Community Facilities Technical Assistance and Training Grants	\$1.5	12
Community Facility Rural Hospital Pilot Program Grants	\$1.0	1
CF Grants - SECD	\$0.7	15
Community Facility EZ/EC Grants	\$0.6	8
<b>TOTAL</b>	<b>\$113.8</b>	<b>1,777</b>

CF Loan Funds

Program	Total Obligation (Dollars in Millions)	Total No. CF Loans
Direct Community Facility Loans	\$1,187.3	511
Direct Community Facility Loans - Persistent Poverty	\$77.7	33
Direct Community Facility Loans - SECD	\$2.9	4
Guaranteed Community Facility Loans	\$100.7	26
<b>TOTAL</b>	<b>\$1,368.6</b>	<b>574</b>

Current Activities/Progress:

On March 4, 2020, RD issued a notice of solicitation of applications (NOSA) under the Rural Community Development Initiative (RCDI). These grants are made to qualified intermediary organizations that will provide financial and technical assistance to recipients to develop their capacity and ability to undertake projects related to housing, community facilities, or community and economic development that will support the community. In 2020, priority was given to applications that support the substance abuse disorder projects, including opioid misuse, in high-risk rural communities through prevention, treatment, and recovery projects. Administrator discretionary points were awarded to applications that addressed this agency goal. In 2020, RHS staff obligated 4 RCDI grants totaling \$0.2 million.

CF Direct and Grant programs funding related to Substance Abused Disorder, including opioids.

In 2020, CF Direct obligated \$24.4 million, 3 loans, in persistent poverty communities, CF Disaster funds grants obligated \$1.2 million, 19 grants, and \$0.5 million, 10 grants, through the Economic Impact Initiative grant program.

Examples of funding provided for this purpose

This CF provide \$12,800 grant used to purchase a drug unit vehicle for Coffee County, GA. This vehicle will assist in fighting the increase in the sale of opioids in Coffee County. The war on drugs is an ongoing battle that has devastated our nation and has impacted our local communities and families. The purpose of this vehicle is to provide the opportunity for the drug task force to be concealed in civilian population to greater impact the potential success in the war on drugs. This investment has been estimated to impact 43,000 people.

This \$33,800 CF Direct loans will be used to purchase two 2020 Dodge 4x4 trucks, equipped with snowplows and salt spreaders for inclement weather and equipped with Narcan to address opioid-related emergencies. This assistance will provide effective and efficient emergency response services for a rural population in Hickman County, KY. This funding will impact 1,388 people.

2019 Disaster Relief Grants

The CF received a supplemental appropriation of \$150 million in grant funds in 2019 for expenses related to the consequences of Hurricanes Michael and Florence, wildfires occurring in calendar year 2018, tornadoes and floods occurring in calendar year 2019, and for other natural

disasters. Program staff developed a notice of funds availability (NOFA), which was published in the Federal Register on September 10, 2019. In 2020, RHS staff obligated 698 disaster grants totaling \$59.5 million, including Substance Abused Disorder projects.

**AGENCY-WIDE PERFORMANCE AND EVALUATION****Introduction**

The Rural Housing Service (RHS) delivers housing programs authorized by the Housing Act of 1949 (Act), as amended, and the Cranston-Gonzalez National Affordable Housing Act of 1990. RHS also administers the community facilities programs authorized by the Consolidated Farm and Rural Development Act of 1972, as amended. In addition, Omnibus Farm Bills are often used to address issues related to rural development. RHS is responding to the needs of rural communities in need of housing opportunities for both single family as well as multifamily housing. Additionally, RHS focuses funding on improving community facilities across the country that improve the educational, health and security options in rural America.

Along with external stakeholders discussed above, RHS has a plethora of external stakeholders that have a vested interest in performance and evaluation findings including:

- Congress, OMB and other agencies
- Regional and local governments
- Associations, boards, cooperatives, and unions
- Universities and other academic institutions
- Non-governmental organizations

RHS has one Key Performance Measure within the Departments Strategic Plan Goal 4, Facilitate Rural Prosperity and Economic Development. The following table summarizes the results for the Departmental Key Performance Indicator (KPI) for which RHS is responsible.

**Alignment to Strategic Plan**

RHS activities contribute to the success of USDA’s mission to provide leadership on agriculture, food, natural resources, rural infrastructure, nutrition, and related issues through fact-based, data-driven, and customer focused decisions; and is responsible for achieving and measuring results within respect to the following Strategic Goal and Objectives:

All the programs administered by the RHS support USDA Strategic Goal 4: Facilitate rural prosperity and economic development.

Objective 4.1: Expand rural business opportunity and rural quality of life with access to capital; improved infrastructure; broadband access and connectivity; and support for workforce availability.

**SUMMARY OF PERFORMANCE AND EVALUATION EFFORTS**

RHS has one Key Performance Measure within the Departments Strategic Plan Goal 4, Facilitate Rural Prosperity and Economic Development. The following table summarizes the results for the Departmental Key Performance Indicator (KPI) for which RHS is responsible. A more detailed report of the performance and evaluations can be found at <https://www.usda.gov/our-agency/about-usda/performance>

**Table RHS-72. KPI-Rural Housing Service**

Strategic Objective 4.1		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
4.1.1. Health Facilities: Percent of customers who are provided access to new and/or improved essential community facilities	Results	12	6	9.4	2.45	5.1	TBD	TBD
	Target	4.5	5	6.8	6.8	3.0	3.0	3.0
	Status	Met	Met	Met	Unmet	Met	TBD	TBD

Exceeds: Greater than target	Met: within 5%of Target	Needs Improvement (NI): within 10% of target	Unmet: Greater than 10%
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**PROGRESS Toward the Achievement of Strategic Objectives FY2022**

Accomplishments towards objectives are highlighted within the Status of Programs section contained within this chapter. Additional information regarding performance can be located within the Annual Performance Report submitted in conjunction with our Congressional Justifications. A high-level summary of progress is provided below:

Community Facilities Programs (CF): CF programs provide loans, grants, and guarantees to help rural communities build or improve essential community facilities and community infrastructure. In addition, grants for disaster relief, technical assistance and training, and community and economic development support rural communities in building long-term capacity and tackling urgent challenges such as disaster recovery.

During 2020 the United States faced a historic pandemic and major economic crisis, yet, during those extraordinary circumstances, CF invested over \$571 million in 122 health facilities to provide improved and expanded access to rural health care. Despite challenges faced in FY 2020 CF was able to meet its performance target in its key performance indicator.

In addition to the annual targetting and monitoring of Strategic Objective Key Performance Indicator 4.1.1 related to health facilities the Rural Development Innovation Center’s Data Analytics Division is conducting an evaluation focused on the impact of CF on health care outcomes in recipient facilities and communities.

The evaluation of this program is to understand the level and nature of impacts on intended beneficiaries. The findings will be used to assess the effectiveness and efficiency of the program.

Descriptive analysis will help the agency better understand how the program is operating, who is receiving benefits, or how operations transpire at the local level. Impact evaluation will help policy makers decide whether the program is generating intended effects; promotes accountability in the allocation of resources across RD programs; and fills gaps in understanding whether the program works, and how measured changes in well-being are attributable to the program.

This evaluation is included in USDA’s FY 2022 Annual Evaluation Plan.

### **Expected Progress at the 2022 Proposed Resource Level**

The economic and social effects of COVID-19 on rural communities remains a concern. Demographic characteristics (a higher share of elderly population) and geographic features (larger distances to access health care centers), coupled with reduced health care staff and facilities, impede the ability of rural communities to respond to the pandemic. In addition, the overall slowdown in aggregate demand has affected some primary sectors, and the expected further slow-down in trade and global demand will hit rural economies severely given their higher reliance on tradable activities, such as mining and tourism.

CF will continue outreach efforts to attract institutional investors and the capital credit markets that are interested in long term investment opportunities in rural community infrastructure, which will improve rural America’s access to capital and leverage Agency resources to better manage credit risk. RHS will also continue to closely monitor loan delinquencies and act proactively to mitigate account issues and strengthen the portfolio.