

2012 Explanatory Notes  
Rural Housing Service

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## RURAL DEVELOPMENT HOUSING PROGRAMS

### Purpose Statement

Rural Development Housing Programs provide affordable housing to rural communities. The agency goal is to improve the quality of life in Rural America by: 1) providing decent, safe, and affordable housing; and 2) developing community infrastructure. Rural Development delivers housing programs authorized by the Housing Act of 1949, as amended. Community facilities programs are authorized by the Consolidated Farm and Rural Development Act, as amended.

Section 502 Guaranteed Single Family Housing. Families may be eligible to become rural homeowners with the help of a USDA guaranteed home loan. When the Federal government agrees to guarantee a loan, lending institutions can help buyers while incurring less risk. Through USDA's guaranteed rural housing loan program, low- and moderate-income people can qualify for mortgages even without a down payment. Loans through this program may be for up to 100 percent of appraised value or for the acquisition cost, whichever is less, and the guarantee fee may be added to increase the loan amount. No down payment is required. Mortgages are 30-year fixed rate at market interest rates. Homebuyers apply with participating lenders. Guaranteed loans may also be made to refinance either existing guaranteed housing loans or Section 502 direct housing loans. The 2010 Supplemental Disaster Relief and Summer Jobs (P.L. 111-212) increased the authorized cap on the up-front fee to 3.5 percent and established an annual fee authority, which is capped at 0.5 percent. For 2012, the upfront fee on new purchase loans will be two percent with an annual fee of 0.3 percent. The upfront fee for refinanced loan guarantees will remain one percent, but will also have a 0.3 percent annual fee.

Section 502 Direct Single Family Housing. Provides loans to low- and very-low income families to purchase, build, or rehabilitate a home in rural areas. Financing is 100 percent with payments subsidized to between 22 percent and 26 percent of the applicant's income.

Section 504 Housing Repair Grants. Available to very-low income elderly families who own and occupy a rural home and cannot afford a loan. Grants of up to \$7,500 are available to improve accessibility or to remove health and safety hazards. Grants must be repaid to the government if the property is sold within three years.

Section 515 Rural Rental Housing Program. Provides funds for the construction and rehabilitation of affordable rental housing for rural families and elderly residents who have very-low, low and moderate incomes.

Section 514/516 Farm Labor Housing Loan and Grant Program. Provides decent, safe, and sanitary housing for farm workers by providing loans to farmers for small, on-farm housing or loans and grants for off-farm multi-family developments.

Section 521 Rental Assistance Program. Provides assistance to eligible tenants in Section 515 and Section 514/516 assisted housing so that they pay no more than 30 percent of their incomes for rent.

Section 542 Rural Housing Voucher Program. The Rural Housing Voucher Program, authorized under Section 542 of the Housing Act of 1949, is designed to provide tenant protections in properties that prepay their mortgages after September 30, 2005. These Vouchers are portable and will enable tenants to continue to access affordable housing without benefit of the traditional Rental Assistance program.

Community Facilities Direct Loans and Grants. Rural Development Community Programs provides financing for Community Facilities Direct and Guaranteed loans and grants to units of local government, nonprofit organizations, or Federally-recognized Indian tribes for the development of essential community facilities in rural areas. Eligible purposes include health care facilities; fire, rescue, and public safety buildings, vehicles, and equipment; educational and cultural facilities; town halls, community centers, and libraries; and adult and child day care facilities. There are no set minimum or maximum loan amounts with

the Community Facilities direct loan programs, however limits may exist depending on the availability of funds and/or the project's feasibility. The loan repayment term is limited to the useful life of the facility, State statute or 40 years.

#### Geographic dispersion of offices and employees

Rural Development programs are administered by the three programs representing Rural Development: Housing and Community Facilities, Utilities, Business and Cooperative Development. Rural Development headquarters is located in Washington, D.C. As of September 30, 2010, there were 5,660 permanent full-time employees, including 1,580 in the headquarters and 4,080 in the field offices.

#### OIG Reports

OIG Audit Report No. 04703-001-HY, Recovery Act Audit of Rural Housing Service, Community Facilities Direct Loan and Grant Programs. (Closed)

OIG Audit Report No. 04703-002-HY, Recovery Act Audit of Rural Housing Service, Community Facilities Direct Loan and Grant Programs, Phase II. (Open).

OIG Audit Report Number 04703-002-Ch (1) concerning the 502 Guaranteed Loan Program. These recommendations result from recent audits of ARRA program delivery. (Open).

OIG Audit Report Number 04703-03-Hy, concerning the 502 Guaranteed Loan Program. These recommendations result from recent audits of ARRA program delivery (Open).

OIG Audit Report Number 04703-2-KC, Single-Family Housing Direct Loans Recovery Act Controls. These are part of an ongoing process to assure ARRA funding is used as intended. (Open).

OIG Audit Report Number 04703-3-KC, Single-Family Housing Direct Loans Recovery Act Controls. These are part of an ongoing process to assure ARRA funding is used as intended. (Open).

OIG Audit Report Number 04601-19-CH, "Controls Over Rural Housing Service Disaster Assistance Payments." (Open).

OIG Audit Report Number 04601-0018-CH "Project Costs and Inspection Procedures" (Open).

OIG Audit Report Number 04601-0020-CH, audit of a management company (Open).

OIG Audit Report Number 04601-004-KC (appropriate insurance expenses) (Closed).

OIG Audit Report Number 04004-003-AT (income verification) (Closed).

OIG Audit Report Number 04099-143-CH (misuse of multifamily property funds) (Closed).

Rural Development Multi-family Housing Programs are also in the process of closing five open OIG audits: 04801-003-KC (unauthorized project expenditures by a management company); 04801-006-KC (tracking of certain property expenses); 04099-339-AT (appropriate payment of tenant subsidy); 04601-013-CH (inappropriate charges); and 04601-014-CH (monitoring and tracking unauthorized assistance).

#### GAO Reports

GAO Audit Report No. Notification of Assignment 130924, Charter Schools Legal Status. Departmental audit, NIFA has the lead. This report is pending closure.

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Community Facilities Program Account (including transfer of balances)

For the cost of direct loans and grants 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, \$38,400,000, to remain available until expended: *Provided*, That \$8,400,000 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 of the amount appropriated under this heading, the amount equal to the amount of Rural Community Facilities Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year 2011, shall be available through June 30, 2012, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones for the rural community programs described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act: *Provided further*, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the funds made available under this heading.

## RURAL HOUSING SERVICE

Analysis of Change in AppropriationRURAL COMMUNITY FACILITY PROGRAM ACCOUNT

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Annualized Continuing Resolution, 2011.....	\$458,273,151	\$10,490,000	\$44,503,000
Budget Estimates, 2012.....	<u>1,000,000,000</u>	<u>0</u>	<u>38,400,000</u>
Change in Appropriation.....	<u><u>541,726,849</u></u>	<u><u>-10,490,000</u></u>	<u><u>-6,103,000</u></u>

**PROJECT STATEMENT**

(On basis of supportable loan levels and appropriated subsidies and grants)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Budget		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Community Facility Programs:								
Direct loans.....	\$630,848	\$8,264	\$290,526	\$3,864	\$709,474 (1)	-\$3,864 (7)	\$1,000,000	\$0
Direct loans - ARRA c/.....	1,098,519	14,391	0	0	0	0	0	0
Direct loans - 2005 hurricane em. suppl. ....	0	0	0	0	0	0	0	0
Direct loans - 2007 disaster supplemental a/.....	1,400	18	0	0	0	0	0	0
Direct loans - 2008 disaster supplemental b/.....	48,762	639	0	0	0	0	0	0
Guaranteed loans.....	264,888	8,503	167,747	6,626	-167,747 (2)	-6,626 (8)	0	0
Guaranteed loans - 2008 disaster supp b/.....	27,300	876	0	0	0	0	0	0
Grants.....	26,550	26,550	20,373	20,373	9,627 (3)	9,627	30,000	30,000
Grants - ARRA c/.....	70,441	70,441	0	0	0	0	0	0
Grants - 2007 disaster supplemental a/.....	3,505	3,505	0	0	0	0	0	0
Grants - 2008 disaster supplemental b/.....	11,458	11,458	0	0	0	0	0	0
Rural community dev. initiative grants.....	6,512	6,512	6,256	6,256	2,144 (4)	2,144	8,400	8,400
Rural coop. home based health care demo.....	0	0	0	0	0	0	0	0
Hazardous weather early warning grants.....	110	110	0	0	0	0	0	0
Economic impact initiative grants.....	15,193	15,193	13,902	13,902	-13,902 (5)	-13,902	0	0
Tribal college grants.....	4,322	4,322	3,972	3,972	-3,972 (6)	-3,972	0	0
Total Available or Estimate.....	2,209,808	170,782	502,776	54,993	535,624	-16,593	1,038,400	38,400
Recovery of prior year obligations.....	-10,208	-10,208	0	0	0	0	0	0
Unobligated balance available, start of year.....	-2,322,789	-133,348	0	0	0	0	0	0
Unobligated balance available, end of year.....	665,862	27,087	0	0	0	0	0	0
Unobligated balance rescinded d/.....	0	0	0	0	0	0	0	0
Expired ARRA Appropriation.....	3,209	680	0	0	0	0	0	0
Total Appropriation.....	545,882	54,993	502,776	54,993	535,624	-16,593	1,038,400	38,400

NOTE: Amounts reflected above are budget projections of use of funds within Rural Community Facility Program. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

PROJECT STATEMENT

(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Budget		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Community Facility Programs:								
Direct loans.....	\$630,848	\$8,264	\$498,466	\$6,630	\$501,534	-\$6,630	\$1,000,000	\$0
Direct loans - ARRA g/.....	1,098,519	14,391	0	0	0	0	0	0
Direct loans - 2005 hurricane em. suppl. ....	0	0	0	0	0	0	0	0
Direct loans - 2007 disaster supplemental a/.....	1,400	18	0	0	0	0	0	0
Direct loans - 2008 disaster supplemental b/.....	48,762	639	0	0	0	0	0	0
Guaranteed loans.....	264,888	8,503	196,695	7,769	-196,695	-7,769	0	0
Guaranteed loans - 2008 disaster supp b/.....	27,300	876	0	0	0	0	0	0
Grants.....	26,550	26,550	21,628	21,628	8,372	8,372	30,000	30,000
Grants - ARRA g/.....	70,441	70,441	0	0	0	0	0	0
Grants - 2007 disaster supplemental a/.....	3,505	3,505	0	0	0	0	0	0
Grants - 2008 disaster supplemental b/.....	11,458	11,458	0	0	0	0	0	0
Rural community dev. initiative grants.....	6,512	6,512	12,708	12,708	-4,308	-4,308	8,400	8,400
Rural coop. home based health care demo.....	0	0	580	580	-580	-580	0	0
Hazardous weather early warning grants.....	110	110	122	122	-122	-122	0	0
Economic impact initiative grants.....	15,193	15,193	16,665	16,665	-16,665	-16,665	0	0
Tribal college grants.....	4,322	4,322	3,982	3,982	-3,982	-3,982	0	0
Total Available or Estimate.....	2,209,808	170,782	750,847	70,085	287,553	-31,685	1,038,400	38,400
Recovery of prior year obligations.....	-10,208	-10,208	0	0	0	0	0	0
Unobligated balance available, start of year.....	-2,322,789	-133,348	-260,066	-27,087	260,066	27,087	0	0
Unobligated balance available, end of year g/.....	665,862	27,087	38	38	-38	-38	0	0
Unobligated balance rescinded d/.....	0	0	11,957	11,957	-11,957	-11,957	0	0
Expired ARRA Appropriation.....	3,209	680	0	0	0	0	0	0
Total Appropriation.....	545,882	54,993	502,776	54,993	535,624	-16,593	1,038,400	38,400

NOTE: Amounts reflected above are budget projections of use of funds within Rural Community Facility Program. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

## Project Statement Footnotes:

- a/ Provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, P.L. 110-28, signed May 25, 2007, for areas in Kansas hit by the tornadoes on May 6, 2007, and unobligated balances in the amount of \$12 million from the funds provided in P.L. 110-28 were transferred to Community Facilities grants in FY 2009.
- b/ Transfers from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329 in the amount of \$40 million.
- c/ Provided by the American Recovery and Reinvestment Act of 2009 , P.L. 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds are available through the fiscal year ending September 30, 2010.
- d/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.
- e/ Unobligated balances at the end of FY 2011 are the cancellations after 8/10/10 of natural disaster funds. These funds have neither been rescinded nor does OMB want the loan amounts reflected for obligation.

JUSTIFICATIONS OF INCREASES AND DECREASES

- (1) An increase of \$709,474,000 for the direct community facility loans (\$290,526,000 available in 2011).

The community facility direct loan program assists rural municipalities and non-profit organizations in financing the most essential community facilities to improve the quality of life for their residents. These facilities help achieve the Department's Strategic Goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving. This program has historically maintained a very low delinquency and foreclosure rate and is consistently a very efficient method for developing essential community facilities in rural areas. As State budgets continue to struggle, municipalities increasingly turn to the Federal government for assistance with long-term financing. Direct loans are primarily targeted to health care; fire/rescue and public safety facilities and equipment; and educational facilities, but also can be used to further food security objectives. This program has been used to finance farmers markets as well as community food banks serving unemployed and underemployed residents. The good performance of these loans coupled with the current economic assumptions projecting low interest rates has made the subsidy cost for this program negative. As a result, a \$1 billion loan level can be requested without an added request for additional budget authority. This level is consistent with ARRA lending levels for this program and is an amount that is likely to meet demand. This increase in loan level will support regional economic development strategies and will be instrumental in carrying out the Regional Innovation Initiatives. The percentage of rural population that will have access to new or improved health care facilities is 5.4 percent, public safety facilities is 5.0 percent, and education facilities is 3.5 percent in 2012.

- (2) A decrease of \$167,747,000 for the guaranteed community facility loans (\$167,747,000 available in 2011).

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. Community facility loan guarantees originated to be an inexpensive alternative to the equivalent direct loan program and to stimulate additional assistance to moderate - income communities in rural areas. However, the defaults in the program have been much higher than initially projected, and the increase has happened quickly, making it more expensive than the direct loan program. Moreover, the direct loan program has very low defaults, even though it tends to serve the lower income communities. For 2012, the community facility direct loan program has a negative subsidy rate and is funded at \$1 billion, up from \$295 million in 2010. The increase in the direct loans program should ease the effect terminating the guarantee program for 2012. In addition, funding only the grants and direct loans follows the lead from Congress, who funded only those community facility programs in ARRA.

- (3) An increase of \$9,627,000 in community facility grants (\$20,373,000 available in 2011).

To better address the Department's Strategic Goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving, the Community Facility (CF) Grants program provides funding for essential community facilities in rural communities with populations of up to 20,000. Priority for grant funding is given to applicants in rural communities with populations of 5,000 or less, and applicants in communities with low median household incomes receive a higher percentage of grant funds. The increase of funds will be used to support the Healthy Food, Healthy Neighborhoods and Regional Innovation Initiatives. The Healthy Food, Healthy Neighborhoods Initiative will support local and regional efforts to increase access to healthy food in low-income/underserved areas in coordination with other agencies. The funds requested for FY 2012 will allow Rural Development to continue to meet the most pressing needs in our most rural and economically stressed communities. The percentage of rural population that will have access to new or improved health care facilities is 5.4 percent, public safety facilities is 5.0 percent, and education facilities is 3.5 percent in 2012.

- (4) An increase of \$2,144,000 in the rural community development initiative grants (\$6,256,000 available in 2011).

The Rural Community Development Initiative (RCDI) program provides technical assistance and training funds to qualified intermediary organizations to develop their capacity to undertake housing, community facilities, and community and economic development projects in rural areas. RCDI is the technical assistance planning grant program within Rural Housing Service that supports USDA's Regional Innovation efforts. The funding in the 2012 budget is increased to \$8.4 million for RCDI to support regional economic development strategies.

RCDI is one of two planning grant programs in Rural Development's portfolio, the other being the Rural Business Opportunity Grant (RBOG). While RBOG is focused on business development, recipients of RCDI are municipalities, tribes, and non-profits with more of a community development focus. Both programs are administered using an annual Notice of Funds Availability (NOFA), which allows Rural Development to solicit applications that are regional in nature and that meet the Secretary's pillars for rural economic revitalization. These programs will continue to operate in tandem, bringing together economic and community development strategies around regional planning.

By providing the additional funding to RCDI, RD will be able to serve many more regions. Since RCDI grant funds also require dollar for dollar matching funds, RD will be doubling the impact of the funding increase.

- (5) A decrease of \$13,902,000 in the economic impact initiative grants (\$13,902,000 available in 2011).

The Economic Impact Initiative grants provide assistance to rural communities with extreme unemployment and severe economic depression. The regular Community Facility grant program can be used to fund these projects. Therefore, the budget does not propose funding for this program.

- (6) A decrease of \$3,972,000 in the tribal college grants (\$3,972,000 available in 2011).

The Tribal College grants program provides assistance to the 33 tribal colleges that are 1994 land-grant institutions meeting the criteria of the Equity in Education Land-Grant Status Act of 1994. The regular Community Facility grant program can be used to fund these projects. Therefore, the budget does not propose funding for this program.

- (7) A decrease of \$3,864,000 for the direct community facility loan subsidy (\$3,864,000 available in 2011).

Due to a decrease in the projected Treasury discount rate, the projected subsidy rate for the direct community loan program is negative. As a result, no budget authority is requested for this program.

- (8) A decrease of \$6,626,000 for the guaranteed community facility loan subsidy (\$6,626,000 available in 2011).

Loan subsidy won't be needed as the agency is focusing on serving the rural communities by using the direct loan program.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Facility Loan Program - Direct

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$2,742,234	--	--
Alaska	12,156,000	--	--
Arizona	19,741,250	--	--
Arkansas	5,449,000	--	--
California	35,996,690	--	--
Colorado	3,286,000	--	--
Connecticut	2,002,000	--	--
Delaware	5,066,000	--	--
Florida	25,630,600	--	--
Georgia	9,580,460	--	--
Hawaii	--	--	--
Idaho	662,200	--	--
Illinois	4,115,000	--	--
Indiana	5,191,400	--	--
Iowa	23,223,561	--	--
Kansas	2,675,600	--	--
Kentucky	18,766,000	--	--
Louisiana	5,670,584	--	--
Maine	3,422,500	--	--
Maryland	5,020,000	--	--
Massachusetts	3,899,040	--	--
Michigan	9,809,000	--	--
Minnesota	33,803,000	--	--
Mississippi	1,899,000	--	--
Missouri	8,774,397	--	--
Montana	5,127,850	--	--
Nebraska	424,300	--	--
Nevada	1,345,937	--	--
New Hampshire	7,283,000	--	--
New Jersey	3,671,000	--	--
New Mexico	1,989,332	--	--
New York	20,533,800	--	--
North Carolina	51,201,971	--	--
North Dakota	5,418,909	--	--
Ohio	9,762,000	--	--
Oklahoma	425,800	--	--
Oregon	1,726,600	--	--
Pennsylvania	69,300,010	--	--
Rhode Island	600,000	--	--
South Carolina	13,284,000	--	--
South Dakota	33,183,486	--	--
Tennessee	7,090,600	--	--
Texas	9,865,122	--	--
Utah	19,450,000	--	--
Vermont	2,375,800	--	--
Virginia	11,771,038	--	--
Washington	64,552,500	--	--
West Virginia	7,410,070	--	--
Wisconsin	5,832,825	--	--
Wyoming	1,818,500	--	--
Puerto Rico	1,820,240	--	--
Virgin Islands	--	--	--
W. Pacific Areas	25,000,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$630,848,206</u>	<u>\$498,466,085 1/</u>	<u>\$1,000,000,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Facility Loan Program - Direct  
Recovery Act

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$1,394,000	--	--
Alaska	60,212,000	--	--
Arizona	11,550,486	--	--
Arkansas	14,290,000	--	--
California	23,285,460	--	--
Colorado	500,000	--	--
Connecticut	63,175,220	--	--
Delaware	131,000	--	--
Florida	5,402,850	--	--
Georgia	21,066,621	--	--
Hawaii	59,500,000	--	--
Illinois	780,554	--	--
Indiana	1,820,000	--	--
Iowa	22,695,000	--	--
Kansas	10,782,355	--	--
Kentucky	87,513,875	--	--
Louisiana	1,243,100	--	--
Maine	150,000	--	--
Massachusetts	15,950,000	--	--
Michigan	9,033,000	--	--
Minnesota	27,235,000	--	--
Mississippi	3,727,200	--	--
Missouri	88,214,268	--	--
Montana	768,500	--	--
Nebraska	24,539,400	--	--
Nevada	1,558,500	--	--
New Hampshire	118,000	--	--
New Jersey	655,800	--	--
New Mexico	4,721,250	--	--
New York	10,558,480	--	--
North Carolina	210,151,615	--	--
North Dakota	42,342,000	--	--
Ohio	5,323,000	--	--
Oklahoma	6,594,517	--	--
Pennsylvania	8,239,590	--	--
Rhode Island	11,925,130	--	--
South Carolina	44,382,300	--	--
South Dakota	16,598,890	--	--
Tennessee	43,202,400	--	--
Texas	30,308,650	--	--
Utah	12,049,700	--	--
Vermont	4,292,200	--	--
Virginia	69,541,382	--	--
Washington	121,700	--	--
Wisconsin	9,884,500	--	--
Wyoming	8,740,000	--	--
W. Pacific Areas	2,250,000	--	--
Total Avail./Est.	<u>\$1,098,519,493</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Facility Loans  
2007 Tornadoes Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Kansas	\$1,400,000	--	--
Total Avail./Est.	<u>\$1,400,000</u>	<u>--</u>	<u>--</u>

Rural Community Facility Loan Program  
2008 Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Indiana	\$2,785,900	--	--
Iowa	18,900,000	--	--
Kentucky	443,500	--	--
Louisiana	6,841,000	--	--
Michigan	614,000	--	--
Missouri	44,700	--	--
Nebraska	14,000,000	--	--
South Dakota	2,722,600	--	--
Texas	138,065	--	--
Washington	1,943,800	--	--
West Virginia	203,000	--	--
Wisconsin	125,000	--	--
Total Avail./Est.	<u>\$48,761,565</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Facility Loan Program - Guaranteed

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	--	--	--
Alaska	\$10,000,000	--	--
Arizona	19,915,489	--	--
Arkansas	1,000,000	--	--
California	1,170,100	--	--
Colorado	--	--	--
Connecticut	26,427,600	--	--
Delaware	500,000	--	--
Florida	2,700,000	--	--
Georgia	--	--	--
Hawaii	--	--	--
Idaho	272,000	--	--
Illinois	4,210,000	--	--
Indiana	2,825,000	--	--
Iowa	3,040,500	--	--
Kansas	200,000	--	--
Kentucky	--	--	--
Louisiana	1,000,000	--	--
Maine	--	--	--
Maryland	2,500,000	--	--
Massachusetts	562,500	--	--
Michigan	2,500,000	--	--
Minnesota	14,370,000	--	--
Mississippi	--	--	--
Missouri	33,981,000	--	--
Montana	500,000	--	--
Nebraska	--	--	--
Nevada	--	--	--
New Hampshire	893,000	--	--
New Jersey	3,000,000	--	--
New Mexico	--	--	--
New York	11,500,000	--	--
North Carolina	1,990,000	--	--
North Dakota	20,486,973	--	--
Ohio	3,338,500	--	--
Oklahoma	4,450,000	--	--
Oregon	--	--	--
Pennsylvania	13,200,483	--	--
Rhode Island	--	--	--
South Carolina	1,000,000	--	--
South Dakota	2,150,000	--	--
Tennessee	--	--	--
Texas	17,400,000	--	--
Utah	24,407,929	--	--
Vermont	3,300,000	--	--
Virginia	326,000	--	--
Washington	--	--	--
West Virginia	--	--	--
Wisconsin	3,626,500	--	--
Wyoming	--	--	--
Puerto Rico	1,144,480	--	--
Virgin Islands	--	--	--
W. Pacific Areas	25,000,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$264,888,054</u>	<u>\$196,694,708</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Facility Loan Program - Guaranteed  
2008 Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Iowa	\$2,400,000	--	--
Massachusetts	5,000,000	--	--
Missouri	14,000,000	--	--
Nebraska	2,900,000	--	--
Washington	3,000,000	--	--
Total Avail./Est.	<u>\$27,300,000</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Facility Grants

	2010	2011	2012
Alabama	\$843,328	--	--
Alaska	363,250	--	--
Arizona	461,971	--	--
Arkansas	924,000	--	--
California	716,230	--	--
Colorado	666,620	--	--
Connecticut	123,000	--	--
Delaware	97,000	--	--
Florida	563,150	--	--
Georgia	659,645	--	--
Hawaii	448,750	--	--
Idaho	168,000	--	--
Illinois	451,428	--	--
Indiana	513,050	--	--
Iowa	630,336	--	--
Kansas	210,000	--	--
Kentucky	856,181	--	--
Louisiana	393,500	--	--
Maine	255,439	--	--
Maryland	188,000	--	--
Massachusetts	143,000	--	--
Michigan	741,000	--	--
Minnesota	501,000	--	--
Mississippi	1,020,198	--	--
Missouri	1,270,777	--	--
Montana	254,680	--	--
Nebraska	161,000	--	--
Nevada	145,000	--	--
New Hampshire	144,890	--	--
New Jersey	146,000	--	--
New Mexico	242,129	--	--
New York	502,280	--	--
North Carolina	1,229,350	--	--
North Dakota	118,000	--	--
Ohio	548,000	--	--
Oklahoma	334,000	--	--
Oregon	205,000	--	--
Pennsylvania	731,520	--	--
Rhode Island	78,000	--	--
South Carolina	2,973,000	--	--
South Dakota	146,000	--	--
Tennessee	719,000	--	--
Texas	1,143,328	--	--
Utah	288,219	--	--
Vermont	234,000	--	--
Virginia	638,990	--	--
Washington	341,815	--	--
West Virginia	297,950	--	--
Wisconsin	868,925	--	--
Wyoming	79,700	--	--
Puerto Rico	698,492	--	--
Virgin Islands	--	--	--
W. Pacific Areas	72,215	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$26,550,336</u>	<u>\$21,628,447</u> 1/	<u>30,000,000</u> 1/

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Facility Grants - Recovery Act

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$730,100	--	--
Alaska	1,217,000	--	--
Arizona	40,000	--	--
Arkansas	2,680,000	--	--
California	4,306,370	--	--
Colorado	1,163,284	--	--
Connecticut	341,445	--	--
Delaware	455,450	--	--
Florida	575,000	--	--
Georgia	542,298	--	--
Hawaii	138,000	--	--
Idaho	193,000	--	--
Illinois	438,294	--	--
Indiana	1,333,890	--	--
Iowa	2,490,470	--	--
Kansas	1,460,980	--	--
Kentucky	1,565,285	--	--
Louisiana	811,998	--	--
Maine	1,317,300	--	--
Maryland	739,090	--	--
Massachusetts	445,000	--	--
Michigan	2,056,000	--	--
Minnesota	1,192,500	--	--
Mississippi	2,722,008	--	--
Missouri	4,832,747	--	--
Montana	168,000	--	--
Nebraska	480,130	--	--
Nevada	191,896	--	--
New Hampshire	575,000	--	--
New Jersey	485,000	--	--
New Mexico	148,750	--	--
New York	1,399,300	--	--
North Carolina	7,961,380	--	--
Ohio	426,000	--	--
Oklahoma	2,628,649	--	--
Pennsylvania	1,095,679	--	--
South Carolina	7,095,160	--	--
South Dakota	913,700	--	--
Tennessee	2,213,574	--	--
Texas	4,272,053	--	--
Utah	890,650	--	--
Vermont	785,800	--	--
Virginia	2,768,835	--	--
Washington	235,500	--	--
West Virginia	297,650	--	--
Wisconsin	1,363,150	--	--
W. Pacific Areas	257,576	--	--
Total Avail./Est.	<u>\$70,440,941</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Facility Grants  
2007 Tornados Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Kansas	\$3,505,000	--	--
Total Avail./Est.	<u>\$3,505,000</u>	<u>--</u>	<u>--</u>

Rural Community Facility Grants  
2008 Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arkansas	\$1,162,000	--	--
Iowa	3,705,171	--	--
Kansas	10,450	--	--
Kentucky	1,258,433	--	--
Louisiana	357,752	--	--
Michigan	191,000	--	--
Mississippi	383,770	--	--
Missouri	1,242,690	--	--
Montana	35,980	--	--
Nevada	11,000	--	--
South Dakota	67,500	--	--
Tennessee	200,000	--	--
Texas	998,587	--	--
Washington	1,000,000	--	--
West Virginia	130,200	--	--
Wisconsin	703,360	--	--
Total Avail./Est.	<u>\$11,457,893</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Community Development Initiative Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arkansas	\$251,706	--	--
California	503,412	--	--
Colorado	136,287	--	--
Delaware	66,800	--	--
Georgia	401,706	--	--
Idaho	163,846	--	--
Iowa	251,706	--	--
Kentucky	251,706	--	--
Maryland	432,706	--	--
Massachusetts	251,706	--	--
Minnesota	955,118	--	--
Mississippi	251,706	--	--
Montana	251,706	--	--
North Carolina	743,184	--	--
Pennsylvania	230,646	--	--
South Dakota	728,412	--	--
Texas	80,000	--	--
Washington	56,000	--	--
West Virginia	251,706	--	--
Wyoming	251,706	--	--
Total Avail./Est.	<u>\$6,511,765</u>	<u>\$12,708,127</u> <sup>1/</sup>	<u>\$8,400,000</u> <sup>1/</sup>

Rural Cooperative Home Based Health Care Demo Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>--</u>	<u>\$580,022</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Hazardous Weather Early Warning Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
California	\$42,780	--	--
Mississippi	67,531	--	--
Total Avail./Est.	<u>\$110,311</u>	<u>\$122,369</u> <sup>1/</sup>	<u>--</u>

Tribal College Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arizona	\$196,600	--	--
Michigan	196,500	--	--
Minnesota	393,000	--	--
Montana	1,374,800	--	--
Nebraska	392,800	--	--
North Dakota	785,900	--	--
South Dakota	589,300	--	--
Washington	196,500	--	--
Wisconsin	196,600	--	--
Total Avail./Est.	<u>\$4,322,000</u>	<u>\$3,982,113</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Economic Impact Initiative Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$377,880	--	--
Alaska	569,900	--	--
Arkansas	796,000	--	--
California	717,745	--	--
Colorado	170,000	--	--
Delaware	90,000	--	--
Florida	387,000	--	--
Georgia	446,725	--	--
Idaho	20,000	--	--
Illinois	252,000	--	--
Iowa	504,067	--	--
Kansas	155,000	--	--
Kentucky	1,322,658	--	--
Louisiana	262,000	--	--
Maine	217,000	--	--
Maryland	148,000	--	--
Massachusetts	119,000	--	--
Michigan	389,000	--	--
Minnesota	234,000	--	--
Mississippi	398,264	--	--
Missouri	438,791	--	--
Montana	128,000	--	--
Nebraska	131,000	--	--
Nevada	60,500	--	--
New Hampshire	117,200	--	--
New Jersey	122,000	--	--
New Mexico	147,000	--	--
North Carolina	1,021,690	--	--
North Dakota	104,000	--	--
Oklahoma	241,000	--	--
Oregon	159,000	--	--
Pennsylvania	280,700	--	--
South Carolina	330,000	--	--
South Dakota	372,000	--	--
Tennessee	391,000	--	--
Utah	119,358	--	--
Vermont	114,000	--	--
Virginia	2,103,385	--	--
Washington	212,000	--	--
West Virginia	210,000	--	--
Wisconsin	224,913	--	--
Puerto Rico	156,993	--	--
W. Pacific Areas	145,407	--	--
Administrative Expenses	286,528	--	--
Total Avail./Est.	<u>\$15,192,704</u>	<u>\$16,665,112</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance

## RURAL HOUSING SERVICE

## RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$170,782,020</u>	<u>\$70,085,000</u>	<u>\$38,400,000</u>
Total direct obligations.....	<u>170,782,020</u>	<u>70,085,000</u>	<u>38,400,000</u>

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

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: \$24,211,416,000 for loans to section 502 borrowers, of which \$211,416,000 shall be for direct loans, and of which \$24,000,000 shall be for unsubsidized guaranteed loans and \$95,236,000 for section 515 rental housing.

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: \$10,000,000 for 502 direct loans and \$32,495,000 for repair, rehabilitation, and new construction of section 515 rental housing: *Provided*, That of the total amount appropriated in this paragraph, the amount equal to the amount of Rural Housing Insurance Fund Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year 2011 shall be available through June 30, 2012, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for the cost of direct loans, grants and contracts, as authorized by 42 U.S.C. 1484 and 1486, \$19,192,000 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 and merged with this account.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$411,779,000 shall be paid to the appropriation for "Rural Development, Salaries and Expenses".

## RURAL HOUSING SERVICE

Analysis of Change in AppropriationRURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(On basis of loan level, subsidy, grants, and administrative expenses)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>	<u>Administrative Expenses</u>
Annualized Continuing Resolution, 2011...	\$24,756,590,049	\$238,908,000	\$0	\$468,593,000
Budget Estimate, 2012.....	24,333,940,422	51,813,500	9,873,000	411,779,000
Change in Appropriation.....	<u>-422,649,627</u>	<u>-187,094,500</u>	<u>9,873,000</u>	<u>-56,814,000</u>

**PROJECT STATEMENT**  
(On basis of supportable loan levels and appropriated subsidies, grants, and administrative expenses)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Single family housing (SFH) direct loans.....	\$1,013,623	\$36,795	\$650,319	\$40,710	-\$438,903 (1)	-\$30,710 (9)	\$211,416	\$10,000
SFH direct loans - ARRA <i>i</i> .....	1,131,244	41,064	0	0	0	0	0	0
SFH guaranteed loans - purchase.....	14,868,122	177,856	0	0	0	0	0	0
SFH guaranteed loans - refinance.....	200,551	3,449	0	0	0	0	0	0
SFH guaranteed loans - blended <i>g</i> .....	0	0	24,000,000	172,800	0	-172,800 (10)	24,000,000	0
SFH guar. 2005 hurricanes emergency supplemental <i>g</i> .....	332,123	4,783	0	0	0	0	0	0
SFH guar. 2007 emergency supplemental <i>e</i> .....	12,564	181	0	0	0	0	0	0
SFH guar. 2008 disasters <i>f</i> .....	129,613	1,866	0	0	0	0	0	0
SFH guaranteed loans - purchase - ARRA <i>j</i> .....	1,148,153	16,533	0	0	0	0	0	0
SFH guaranteed loans - refinance - ARRA <i>j</i> .....	72,618	1,249	0	0	0	0	0	0
Rural rental housing direct loans.....	68,130	18,559	56,137	18,935	39,099 (2)	13,560 (11)	95,236	32,495
Multi-family housing guaranteed loans.....	129,130	1,485	15,325	1,485	-15,325 (3)	-1,485 (12)	0	0
Multi-family housing guaranteed loans - No Year.....	0	0	0	0	0	0	0	0
Multi-family housing guaranteed loans 2008 dis. emer. supp. <i>f</i> .....	577	111	0	0	0	0	0	0
Housing repair direct loans.....	25,961	3,336	23,360	4,422	-23,360 (4)	-4,422 (13)	0	0
Housing repair direct loans - 2005 hurricanes emergency supp. <i>g</i> .....	194	25	0	0	0	0	0	0
Site development direct loans <i>b</i> .....	0	0	0	0	0	0	0	0
Self-help housing land dev. loans <i>h</i> .....	0	0	0	0	0	0	0	0
Single-family housing credit sales <i>c</i> .....	1,104	0	10,000	0	-10,000 (5)	0	0	0
Multi-family housing credit sales.....	1,110	426	1,449	556	-1,449 (6)	-556 (14)	0	0
Farm labor housing loans.....	0	0	0	0	27,288 (7)	9,319 (15)	27,288	9,319
Farm labor housing grants.....	0	0	0	0	9,873 (8)	9,873	9,873	9,873
Total Available or Estimate.....	19,134,817	307,719	24,756,590	238,908	-412,777	-177,222	24,343,813	61,687
Recovery of prior year obligations.....	-1,449,378	-3,204	0	0	0	0	0	0
Unobligated balance available, start of year.....	-4,789,914	-122,732	0	0	0	0	0	0
Unobligated balance expiring.....	211,249	7,213	0	0	0	0	0	0
Unobligated balance available, end of year <i>j</i> .....	46,456	45,074	0	0	0	0	0	0
Transfer to Working Capital.....	184,338	4,839	0	0	0	0	0	0
Total administrative expenses <i>d</i> .....	0	468,593	0	468,593	0	-56,814 (16)	0	411,779
Unobligated balance rescission <i>k</i> .....	0	0	0	0	0	0	0	0
Total loans and subsidies.....	13,337,568	238,908	24,756,590	238,908	-412,777	-177,222	24,343,813	61,687
Total administrative expenses.....	0	468,593	0	468,593	0	-56,814	0	411,779

Staff-years are reflected in the Salaries and Expenses Project Statement. NOTE: Individual columns may not add due to rounding.

**PROJECT STATEMENT**  
(On basis of available loan levels, subsidies, grants, and administrative expenses)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Single family housing (SFH) direct loans.....	\$1,013,623	\$36,795	\$650,319	\$40,710	-\$438,903	-\$30,710	\$211,416	\$10,000
SFH direct loans - ARRA <i>l</i> .....	1,131,244	41,064	0	0	0	0	0	0
SFH guaranteed loans - purchase.....	14,868,122	177,856	0	0	0	0	0	0
SFH guaranteed loans - refinance.....	200,551	3,449	0	0	0	0	24,000,000	0
SFH guaranteed loans - blended <i>g</i> .....	0	0	24,000,000	172,800	0	-172,800	0	0
SFH guar. 2005 hurricanes emergency supplemental <i>a</i> .....	332,123	4,783	0	0	0	0	0	0
SFH guar. 2007 emergency supplemental <i>e</i> .....	12,564	181	0	0	0	0	0	0
SFH guar. 2008 disasters <i>f</i> .....	129,613	1,866	0	0	0	0	0	0
SFH guaranteed loans - purchase - ARRA <i>l</i> .....	1,148,153	16,533	0	0	0	0	0	0
SFH guaranteed loans - refinance - ARRA <i>l</i> .....	72,618	1,249	0	0	0	0	0	0
Rural rental housing direct loans.....	68,130	18,559	56,308	18,993	38,928	13,502	95,236	32,495
Multi-family housing guaranteed loans.....	129,130	1,485	15,325	1,485	-15,325	-1,485	0	0
Multi-family housing guaranteed loans - No Year.....	0	0	1,455	141	-1,455	-141	0	0
Multi-family housing guaranteed loans 2008 dis. emer. supp. <i>f</i> .....	577	111	0	0	0	0	0	0
Housing repair direct loans.....	25,961	3,336	23,360	4,422	-23,360	-4,422	0	0
Housing repair direct loans - 2005 hurricanes emergency supp. <i>a</i> .....	194	25	0	0	0	0	0	0
Site development direct loans <i>b</i> .....	0	0	0	0	0	0	0	0
Self-help housing land dev. loans <i>h</i> .....	0	0	0	0	0	0	0	0
Single-family housing credit sales <i>c</i> .....	1,104	0	10,000	0	-10,000	0	0	0
Multi-family housing credit sales.....	1,110	426	1,449	556	-1,449	-556	27,288	9,319
Farm labor housing loans.....	0	0	0	0	0	0	9,873	9,873
Farm labor housing grants.....	0	0	0	0	0	0	0	0
Total Available or Estimate.....	19,134,817	307,719	24,758,217	239,107	-414,403	-177,421	24,343,813	61,687
Recovery of prior year obligations.....	-1,449,378	-3,204	0	0	0	0	0	0
Unobligated balance available, start of year.....	-4,789,914	-122,732	-46,501	-45,074	46,501	45,074	0	0
Unobligated balance expiring.....	211,249	7,213	0	0	0	0	0	0
Unobligated balance available, end of year <i>j</i> .....	46,456	45,074	987	0	-987	0	0	0
Transfer to Working Capital.....	184,538	4,839	0	0	0	0	0	0
Total administrative expenses <i>d</i> .....	0	468,593	0	468,593	-43,888	-56,814	0	411,779
Unobligated balance rescission <i>k</i> .....	0	0	43,888	43,888	-43,888	-43,888	0	0
Total loans and subsidies.....	13,337,568	238,509	24,756,590	237,921	-412,777	-176,235	24,343,813	61,687
Total administrative expenses.....	0	468,593	0	468,593	0	-56,814	0	411,779

Staff-years are reflected in the Salaries and Expenses Project Statement. NOTE: Individual columns may not add due to rounding.

## Project Statement Footnotes

- a/ Provided by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Appropriations Act, 2006, P.L. 109-148, signed December 30, 2005, for the purpose of serving communities affected by 2005 calendar year hurricanes. Additional appropriations were provided in P.L. 110-329 and transferred from the Rural Development Assistance Disaster Fund.
- b/ Negative subsidy rate of 4.22% was calculated for FY 2010. Therefore, corresponding budget authority is not required to support the loan level.
- c/ Negative subsidy rates of 15.63% and 11.12% were calculated for FY 2010 and FY 2011, respectively. Therefore, corresponding budget authority is not required to support the loan
- d/ In FY 2010, funding of \$468,593,000 was appropriated and transferred to the Rural Development Salaries and Expense Account. In FY 2011, funding of \$468,593,000 was requested and will be paid to the Rural Development Salaries and Expense Account. In FY 2012, funding of \$411,779,000 is requested and will be paid to the Rural Development Salaries and Expense Account.
- e/ Provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, P.L. 110-28, dated May 25, 2007, for areas in Kansas hit by the tornadoes on May 6, 2007.
- f/ Transferred from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, PAL. 110-329, dated September 30, 2008, to provide additional amounts for authorized activities of agencies of the Rural Development Mission Area in areas affected by a disaster declared by the President or the Secretary of Agriculture.
- g/ Negative subsidy rate of 0.19% and 0.03% was calculated for FY 2011 and FY 2012, respectively. Therefore, corresponding budget authority is not required to support the loan levels.
- h/ Negative subsidy rate of 2.21% was calculated for 2010. Therefore, corresponding budget authority is not required to support the loan level.
- i/ Provided by the American Recovery and Reinvestment Act of 2009, P.L. 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds were available through the fiscal year ending September 30, 2010.
- j/ Unobligated balances at the end of FY 2011 are the no-year Section 502 guaranteed funds which are not needed during FY 2011 and FY 2012 as the subsidy rate has been calculated at a negative for those two fiscal years.
- k/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$438,903,000 in single family housing direct loans (\$650,319,000 available in 2011).

The 2012 budget reflects the change in direction of the USDA single family housing assistance programs: to provide single family housing assistance primarily through loan guarantees. Correspondingly, the single family housing direct loans at a requested loan level of \$211 million is a minimum level to allow targeted support for very-low and low income individuals seeking mortgage credit in rural areas. These funds are expected to be used with various administration initiatives. This loan level is expected to provide 1,609 new homeownership opportunities in 2012 through the direct single family housing loan program, with the vast majority going to very low-income rural borrowers. The shift in the direction acknowledges that the direct single family housing loan program has struggled to make a measurable impact due to straight-lined funding levels, an allocation process that diminishes loan making ability by broadly distributing funding, and a labor-intensive review process.

At the same time, USDA has effectively used the guaranteed single-family housing loan program to provide needed assistance to low-income borrowers. The budget proposes a \$24 billion loan level with roughly \$4 billion in loans for low-income rural borrowers. This loan level is expected to provide as many as 172,208 new homeownership opportunities in 2012 through the guaranteed single family housing loan program, of which at least 30,000 are expected to go to low-income rural borrowers. The funding would support USDA's efforts to coordinate with the National Education Association to attract and retain beginning teachers in rural areas.

- (2) An increase of \$39,099,000 in rural rental housing direct loans (\$56,137,000 available in 2011).

To better address the Department's Strategic Goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving, the section 515 direct rural rental housing loans provide funding for construction, acquisition, and renovation of rural rental properties for low-income residents in rural areas. The additional funds will be used for revitalizing aging rental housing stock to ensure safe, decent and affordable housing for very low- and low-income families; the elderly; and persons with disabilities, and direct, competitive mortgage loans made to provide affordable new multi-family rental housing for very low- and low- income families; the elderly; and persons with disabilities. The increased level of funding during FY 2012 will mean that Rural Development will rehabilitate or construct 8,300 rural rental housing units.

- (3) A decrease of \$15,325,000 in multi-family housing guaranteed loans (\$15,325,000 available in 2011).

The section 538 guaranteed multi-family housing loan program has an exceptionally high subsidy rate for a guaranteed loan program. The section 515 direct rural rental housing loans can fund similar projects for construction, acquisition, and renovation of rural rental properties for low-income residents in rural areas, and will be increased over FY 2011 levels. The section 515 direct loan program is funded at a 35 percent increase, which should ease the effect of terminating the guarantee program for 2012.

- (4) A decrease of \$23,360,000 in housing repair direct loans (\$23,360,000 available in 2011).

The section 504 housing repair loan program has a high subsidy rate. The subsidy rate increase is impacted by changes in the economic assumptions used for the preparation of the president's budget. The 2012 budget funds USDA's single family housing activities primarily through the Section 502 single family housing guaranteed loan program. Correspondingly, the section 504 housing repair loan program is terminated in the 2012 budget. This loan program has been funded consistently at

very low program levels for over 10 years. It is unable to make a measureable impact, due to this low level of funding coupled with a national allocation process that dilutes effectiveness and a labor-intensive review process. In addition, the administrative cost of funding such a historically low loan level makes the program unjustifiably costly.

- (5) A decrease of \$10,000,000 in single family housing credit sales (\$10,000,000 available in 2011).

The single family housing credit sales program works in conjunction with the section 502 single family housing direct loan program. The reduction in the section 502 single family housing direct loan program diminishes the need for single family housing credit sales. The program has also had a historically low demand. Because of the low demand for this program, no funding is proposed in the 2012 budget for this program.

- (6) A decrease of \$1,449,000 in multi-family housing credit sales (\$1,449,000 available in 2011).

The multi-family housing credit sales of acquired property program has an exceptionally high subsidy rate. In order to manage budget priorities, it is necessary at the present time that this program is eliminated.

- (7) An increase of \$27,288,000 in direct farm labor housing loans (\$0 available in 2011).

This increase is a result of moving the farm labor housing programs from a separate account into the rural housing insurance fund program account. A corresponding decrease of the same amount is related in the stand-alone farm labor program account. Moving section 514 and 516 farm labor housing increases efficiencies in administering these programs. The funding levels for farm labor housing loans and grants will mean that Rural Development will rehabilitate or construct 1,900 units of farm labor housing in FY 2012.

- (8) An increase of \$9,873,000 in the farm labor housing grants (\$0 available in 2011).

This increase is a result of moving the farm labor housing programs from a separate account into the rural housing insurance fund program account. A corresponding decrease of the same amount is related in the stand-alone farm labor program account. Moving section 514 and 516 farm labor housing increases efficiencies in administering these programs. The funding levels for farm labor housing loans and grants will mean that Rural Development will rehabilitate or construct 1,900 units of farm labor housing in FY 2012.

- (9) A decrease of \$30,710,000 in loan subsidy for single family housing direct loans (\$40,710,000 available in 2011).

Since the direct loan program will be focused on very low-income residents, the requested funding of \$10 million will be sufficient to support demand.

- (10) A decrease of \$172,800,000 in loan subsidy for guaranteed housing insurance fund loans (\$172,800,000 available in 2011).

The FY 2012 projected subsidy rate for the guaranteed single family loan program is negative due to fee changes. Specifically, the 2010 Supplemental Disaster Relief and Summer Jobs law (P.L. 111-212) increased the authorized cap on the up-front fee to 3.5 percent and established an annual fee authority, which is capped at 0.5 percent. For 2012, the up-front fee on new purchase loans will be 2 percent with an annual fee of 0.3 percent. The up-front fee for refinanced loan guarantees will remain one percent, but will also have a 0.3 percent guarantee fee. As a result, no budget authority is requested for this program.

- (11) An increase of \$13,560,000 in loan subsidy for rural rental housing direct loans (\$18,935,000 available in 2011).

This increase in rural rental housing loan subsidy funding is driven by the increase in the loan level. The rental housing loan provides funding for affordable multifamily rental housing for very low-, low-, and moderate-income families; the elderly; and persons with disabilities.

- (12) A decrease of \$1,485,000 in loan subsidy for multi-family housing guaranteed loans (\$1,485,000 available in 2011).

The section 515 direct rural rental housing loans can fund similar projects for construction, acquisition, and renovation of rural rental properties for low-income residents in rural areas, and will be increased over FY 2011 levels. This is the subsidy cost associated with section 538 guaranteed loans which is not funded in the budget because section 515 can provide funds for these units.

- (13) A decrease of \$4,422,000 in loan subsidy for housing repair direct loans (\$4,442,000 available in 2011).

The 2012 budget funds USDA's single family housing activities primarily through the Section 502 single family housing guaranteed loan program. Correspondingly, the section 504 housing repair loan program is terminated in the 2012 budget. The program is not funded in 2012 due to budget priorities.

- (14) A decrease of \$556,000 in loan subsidy for multi-family housing credit sales (\$556,000 available in 2011).

Due to budget priorities, this program is not funded in 2012.

- (15) An increase of \$9,319,000 in the direct farm labor housing loan subsidy (\$0 available in 2011).

This increase is a result of moving the farm labor housing programs from a separate account into the rural housing insurance fund program account. Moving farm labor housing programs within RHIF increases administrative efficiencies.

- (16) A decrease of \$56,814,000 in administrative expenses (\$468,593,000 available in 2011).

Justification for administrative expenses in the amount of \$411,779,000 and the associated staff-years are reflected in the Rural Development Salaries and Expenses Project Statement.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Single Family Housing Direct Loans

	2010	2011	2012
Alabama	\$15,269,025	--	--
Alaska	7,901,898	--	--
Arizona	13,817,236	--	--
Arkansas	18,997,011	--	--
California	61,727,239	--	--
Colorado	16,073,645	--	--
Connecticut	1,018,177	--	--
Delaware	10,004,350	--	--
Florida	47,274,983	--	--
Georgia	11,915,104	--	--
Hawaii	11,733,710	--	--
Idaho	20,554,317	--	--
Illinois	15,856,003	--	--
Indiana	32,384,734	--	--
Iowa	17,231,250	--	--
Kansas	9,257,935	--	--
Kentucky	28,631,310	--	--
Louisiana	25,207,682	--	--
Maine	30,108,800	--	--
Maryland	12,453,446	--	--
Massachusetts	13,726,944	--	--
Michigan	20,059,937	--	--
Minnesota	18,656,894	--	--
Mississippi	20,712,930	--	--
Missouri	31,390,248	--	--
Montana	17,455,452	--	--
Nebraska	4,025,727	--	--
Nevada	4,418,454	--	--
New Hampshire	16,298,604	--	--
New Jersey	11,931,338	--	--
New Mexico	7,623,199	--	--
New York	22,592,297	--	--
North Carolina	35,019,823	--	--
North Dakota	6,439,314	--	--
Ohio	34,258,052	--	--
Oklahoma	16,521,781	--	--
Oregon	17,313,997	--	--
Pennsylvania	21,962,140	--	--
Rhode Island	2,723,000	--	--
South Carolina	27,382,142	--	--
South Dakota	10,165,410	--	--
Tennessee	20,703,545	--	--
Texas	40,574,033	--	--
Utah	45,973,264	--	--
Vermont	10,404,275	--	--
Virginia	19,674,607	--	--
Washington	56,913,554	--	--
West Virginia	13,354,120	--	--
Wisconsin	17,254,209	--	--
Wyoming	4,228,366	--	--
Puerto Rico	10,261,844	--	--
Virgin Islands	885,205	--	--
W. Pacific Areas	5,300,445	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$1,013,623,005</u>	<u>\$650,319,489 1/</u>	<u>\$211,416,490 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Single-Family Housing Direct Loans - Recovery Act

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$13,490,746	--	--
Alaska	14,904,309	--	--
Arizona	17,577,317	--	--
Arkansas	22,365,223	--	--
California	58,828,674	--	--
Colorado	17,992,505	--	--
Connecticut	7,043,620	--	--
Delaware	13,355,155	--	--
Florida	18,984,508	--	--
Georgia	30,870,456	--	--
Hawaii	7,658,565	--	--
Idaho	32,216,406	--	--
Illinois	22,101,296	--	--
Indiana	45,912,082	--	--
Iowa	24,921,834	--	--
Kansas	15,794,660	--	--
Kentucky	32,951,619	--	--
Louisiana	25,211,581	--	--
Maine	25,265,308	--	--
Maryland	12,962,388	--	--
Massachusetts	20,527,889	--	--
Michigan	31,340,288	--	--
Minnesota	28,300,143	--	--
Mississippi	21,848,334	--	--
Missouri	44,138,092	--	--
Montana	20,787,893	--	--
Nebraska	8,747,789	--	--
Nevada	8,821,596	--	--
New Hampshire	13,690,532	--	--
New Jersey	12,035,412	--	--
New Mexico	3,963,754	--	--
New York	10,525,200	--	--
North Carolina	51,323,728	--	--
North Dakota	4,466,959	--	--
Ohio	28,415,647	--	--
Oklahoma	19,287,756	--	--
Oregon	23,815,250	--	--
Pennsylvania	28,232,841	--	--
Rhode Island	3,739,723	--	--
South Carolina	32,839,608	--	--
South Dakota	10,118,597	--	--
Tennessee	33,269,140	--	--
Texas	34,437,961	--	--
Utah	44,279,083	--	--
Vermont	10,068,510	--	--
Virginia	22,419,383	--	--
Washington	39,515,882	--	--
West Virginia	12,652,000	--	--
Wisconsin	17,765,775	--	--
Wyoming	7,231,564	--	--
Puerto Rico	11,670,625	--	--
Virgin Islands	--	--	--
W. Pacific Areas	10,558,400	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$1,131,243,606</u>	<u>--</u>	<u>--</u>

Rural Housing Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Single Family Housing Guaranteed Loans

	2010	2011	2012
Alabama	\$367,174,436	--	--
Alaska	59,292,401	--	--
Arizona	377,799,501	--	--
Arkansas	385,650,595	--	--
California	561,048,204	--	--
Colorado	187,547,444	--	--
Connecticut	76,463,575	--	--
Delaware	68,435,071	--	--
Florida	815,137,230	--	--
Georgia	491,484,914	--	--
Hawaii	134,538,039	--	--
Idaho	203,842,863	--	--
Illinois	388,633,274	--	--
Indiana	428,206,291	--	--
Iowa	164,800,583	--	--
Kansas	177,717,112	--	--
Kentucky	297,763,157	--	--
Louisiana	543,381,092	--	--
Maine	220,985,186	--	--
Maryland	249,658,896	--	--
Massachusetts	93,875,078	--	--
Michigan	602,168,192	--	--
Minnesota	317,007,937	--	--
Mississippi	262,664,354	--	--
Missouri	438,880,749	--	--
Montana	147,568,213	--	--
Nebraska	79,224,913	--	--
Nevada	72,612,110	--	--
New Hampshire	123,902,063	--	--
New Jersey	122,522,612	--	--
New Mexico	47,980,963	--	--
New York	174,881,550	--	--
North Carolina	850,446,341	--	--
North Dakota	36,165,473	--	--
Ohio	334,821,987	--	--
Oklahoma	300,575,036	--	--
Oregon	396,389,466	--	--
Pennsylvania	404,502,351	--	--
Rhode Island	19,511,602	--	--
South Carolina	419,646,235	--	--
South Dakota	117,721,610	--	--
Tennessee	444,505,144	--	--
Texas	833,395,531	--	--
Utah	268,220,599	--	--
Vermont	57,416,143	--	--
Virginia	407,960,122	--	--
Washington	448,241,219	--	--
West Virginia	169,499,596	--	--
Wisconsin	356,104,875	--	--
Wyoming	217,266,060	--	--
Puerto Rico	291,461,497	--	--
Virgin Islands	1,348,521	--	--
Western Pacific	10,624,580	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$15,068,672,586</u>	<u>\$24,000,000,000 1/</u>	<u>\$24,000,000,000 1/</u>

1/. Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Single Family Housing Loans - Guaranteed  
Recovery Act

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$37,575,897	--	--
Alaska	2,750,979	--	--
Arizona	38,547,890	--	--
Arkansas	30,048,049	--	--
California	26,863,675	--	--
Colorado	12,278,454	--	--
Connecticut	7,066,085	--	--
Delaware	5,614,883	--	--
Florida	38,067,339	--	--
Georgia	28,092,818	--	--
Hawaii	8,986,954	--	--
Idaho	19,945,980	--	--
Illinois	38,397,616	--	--
Indiana	33,522,401	--	--
Iowa	14,040,273	--	--
Kansas	13,219,998	--	--
Kentucky	25,751,332	--	--
Louisiana	67,918,409	--	--
Maine	29,288,033	--	--
Maryland	15,226,036	--	--
Massachusetts	13,709,005	--	--
Michigan	70,274,745	--	--
Minnesota	22,377,598	--	--
Mississippi	10,662,653	--	--
Missouri	37,037,385	--	--
Montana	17,906,511	--	--
Nebraska	7,569,937	--	--
Nevada	3,429,934	--	--
New Hampshire	11,723,051	--	--
New Jersey	11,015,424	--	--
New Mexico	3,757,224	--	--
New York	18,787,956	--	--
North Carolina	90,715,623	--	--
North Dakota	3,189,627	--	--
Ohio	58,610,113	--	--
Oklahoma	19,103,502	--	--
Oregon	27,944,506	--	--
Pennsylvania	30,491,396	--	--
Rhode Island	2,245,212	--	--
South Carolina	20,295,394	--	--
South Dakota	14,746,516	--	--
Tennessee	30,253,525	--	--
Texas	38,213,881	--	--
Utah	28,555,067	--	--
Vermont	6,810,278	--	--
Virginia	20,175,877	--	--
Washington	28,404,751	--	--
West Virginia	13,003,203	--	--
Wisconsin	41,596,988	--	--
Wyoming	7,489,630	--	--
Puerto Rico	16,470,741	--	--
Virgin Islands	160,000	--	--
W. Pacific Areas	840,744	--	--
Total Avail./Est.	<u>\$1,220,771,098</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Single Family Housing Guaranteed Loans Purchase  
2005 Hurricanes for Natural Disaster

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$31,331,495	--	--
Louisiana	214,917,353	--	--
Mississippi	70,128,551	--	--
Texas	15,745,930	--	--
Total Avail./Est.	<u>\$332,123,329</u>	<u>          </u>	<u>          </u>

Single Family Housing Guaranteed Loans Purchase  
2007 Tornados Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Kansas	\$12,586,075	--	--
Total Avail./Est.	<u>\$12,564,324</u>	<u>          </u>	<u>          </u>

Single Family Housing Guaranteed Loans Purchase  
2008 Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arkansas	\$22,092,250	--	--
Colorado	204,081	--	--
Georgia	2,027,125	--	--
Illinois	11,231,216	--	--
Indiana	18,458,061	--	--
Iowa	12,160,675	--	--
Kentucky	2,522,697	--	--
Louisiana	7,437,219	--	--
Maine	1,808,484	--	--
Mississippi	1,876,862	--	--
Missouri	18,725,249	--	--
Nebraska	3,582,370	--	--
Nevada	1,541,617	--	--
Tennessee	5,701,797	--	--
Texas	4,657,104	--	--
West Virginia	1,413,544	--	--
Wisconsin	14,172,541	--	--
Total Avail./Est.	<u>\$129,612,892</u>	<u>          </u>	<u>          </u>

Multifamily Housing Guaranteed Loans - 2008 Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Indiana	<u>\$577,171</u>	<u>          </u>	<u>          </u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 20112

Rural Rental Housing Direct Loans

	2010	2011	2012
Alabama	\$287,932	--	--
Alaska	2,950,000	--	--
California	6,786,720	--	--
Connecticut	1,673,021	--	--
Delaware	1,000,000	--	--
Florida	2,976,931	--	--
Georgia	272,500	--	--
Hawaii	312,495	--	--
Idaho	3,584,207	--	--
Illinois	1,887,775	--	--
Indiana	1,126,764	--	--
Iowa	655,900	--	--
Kansas	1,000,000	--	--
Kentucky	100,000	--	--
Louisiana	1,900,571	--	--
Maine	2,890,000	--	--
Massachusetts	1,292,380	--	--
Michigan	445,000	--	--
Minnesota	426,164	--	--
Mississippi	2,491,263	--	--
Missouri	1,247,977	--	--
Montana	427,102	--	--
Nebraska	422,596	--	--
New Hampshire	1,000,000	--	--
New Jersey	130,948	--	--
New York	4,472,001	--	--
North Carolina	7,365,060	--	--
North Dakota	840,482	--	--
Oklahoma	463,243	--	--
Oregon	1,000,000	--	--
South Carolina	5,315,275	--	--
South Dakota	771,394	--	--
Tennessee	3,781,525	--	--
Utah	199,346	--	--
Vermont	1,954,000	--	--
Virginia	2,657,372	--	--
Washington	1,000,000	--	--
Wyoming	1,022,189	--	--
Total Avail./Est.	<u>\$68,130,133</u>	<u>\$56,308,192 1/</u>	<u>\$95,235,932 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Very Low-Income Housing Repair Loans  
2005 Hurricanes for Natural Disaster

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$28,735	--	--
Mississippi	124,488	--	--
Texas	40,509	--	--
Total Avail./Est.	<u>\$193,732</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Multi Family Housing Guaranteed Loans

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$1,001,000	--	--
Alaska	6,500,000	--	--
California	55,320,038	--	--
Colorado	2,004,874	--	--
Delaware	1,273,086	--	--
Florida	2,358,000	--	--
Illinois	6,292,950	--	--
Indiana	2,752,829	--	--
Kansas	2,447,108	--	--
Kentucky	1,350,193	--	--
Louisiana	560,000	--	--
Maryland	2,970,000	--	--
Massachusetts	3,801,905	--	--
Michigan	1,167,000	--	--
Minnesota	1,010,100	--	--
Mississippi	1,949,000	--	--
North Carolina	2,300,000	--	--
North Dakota	2,460,300	--	--
Ohio	600,000	--	--
Oklahoma	839,020	--	--
Pennsylvania	2,367,800	--	--
Rhode Island	1,114,000	--	--
South Carolina	651,399	--	--
Tennessee	13,356,816	--	--
Texas	4,960,000	--	--
Washington	3,402,000	--	--
West Virginia	3,310,000	--	--
Wyoming	1,011,017	--	--
Total Avail./Est.	<u>\$129,130,435</u>	<u>\$16,780,185</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Very Low-Income Housing Repair Loans

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$765,861	--	--
Alaska	46,500	--	--
Arizona	149,860	--	--
Arkansas	625,749	--	--
California	93,271	--	--
Colorado	75,725	--	--
Connecticut	16,628	--	--
Delaware	38,637	--	--
Florida	946,450	--	--
Georgia	792,773	--	--
Hawaii	369,337	--	--
Idaho	204,307	--	--
Illinois	1,707,561	--	--
Indiana	658,793	--	--
Iowa	867,697	--	--
Kansas	333,226	--	--
Kentucky	1,959,497	--	--
Louisiana	923,074	--	--
Maine	524,448	--	--
Maryland	62,057	--	--
Massachusetts	112,783	--	--
Michigan	973,619	--	--
Minnesota	612,727	--	--
Mississippi	908,674	--	--
Missouri	815,106	--	--
Montana	106,911	--	--
Nebraska	318,322	--	--
Nevada	94,451	--	--
New Hampshire	158,745	--	--
New Jersey	29,315	--	--
New Mexico	56,361	--	--
New York	446,986	--	--
North Carolina	1,740,260	--	--
North Dakota	155,925	--	--
Ohio	630,810	--	--
Oklahoma	281,386	--	--
Oregon	131,429	--	--
Pennsylvania	868,607	--	--
Rhode Island	51,800	--	--
South Carolina	594,846	--	--
South Dakota	247,919	--	--
Tennessee	1,184,693	--	--
Texas	1,419,017	--	--
Utah	175,156	--	--
Vermont	177,560	--	--
Virginia	550,731	--	--
Washington	378,182	--	--
West Virginia	620,430	--	--
Wisconsin	616,355	--	--
Wyoming	11,000	--	--
Puerto Rico	140,517	--	--
Western Pacific	166,050	--	--
Virgin Islands	22,506	--	--
Total Avail./Est.	<u>\$25,960,630</u>	<u>\$23,359,746</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Single Family Housing Credit Sales

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alaska	\$243,628	--	--
Arkansas	52,250	--	--
California	72,000	--	--
Georgia	34,967	--	--
Idaho	45,600	--	--
Indiana	58,940	--	--
Iowa	50,000	--	--
Missouri	57,800	--	--
New Hampshire	14,250	--	--
New Mexico	126,416	--	--
Oregon	213,934	--	--
South Carolina	21,900	--	--
Texas	112,000	--	--
Total Avail./Est.	<u>\$1,103,685</u>	<u>\$10,000,000</u> <u>1/</u>	<u>--</u>

Multiple Family Housing Credit Sales

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Idaho	\$700,000	--	--
Illinois	410,000	--	--
Total Avail./Est.	<u>\$1,110,000</u>	<u>\$1,449,049</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Farm Labor Housing Loans

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>    --</u>	<u>    --</u>	<u>\$27,288,433</u> <sup>1/</sup>

Domestic Farm Labor Housing Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>    --</u>	<u>    --</u>	<u>\$9,873,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
RURAL HOUSING INSURANCE FUND

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
25 Other purchases of goods and services from government accounts...	\$468,593,000	\$468,593,000	\$411,779,000
41 Grants, subsidies, and contributions.....	<u>307,718,964</u>	<u>239,106,753</u>	<u>61,687,000</u>
Total direct obligations.....	<u><u>776,311,964</u></u>	<u><u>707,699,753</u></u>	<u><u>473,466,000</u></u>

## RURAL HOUSING SERVICE

Analysis of Change in AppropriationFARM LABOR PROGRAM ACCOUNT

(On basis of loan levels, subsidies, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Annualized Continuing Resolution, 2011.....	\$25,724,336	\$9,873,000	\$9,873,000
Budget Estimate, 2012.....	<u>0</u>	<u>0</u>	<u>0</u>
Change in Appropriation.....	<u><u>-25,724,336</u></u>	<u><u>-9,873,000</u></u>	<u><u>-9,873,000</u></u>

PROJECT STATEMENT

(On basis of appropriated/supportable loan level, subsidy, and grants)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Direct farm labor housing loans.....	\$15,218	\$5,500	\$25,724	\$9,873	-\$25,724 (1)	-\$9,873 (3)	\$0	\$0
Domestic farm labor housing grants.....	9,873	9,873	9,873	9,873	-9,873 (2)	-9,873	0	0
Total Available or Estimate.....	25,091	15,373	35,597	19,746	-35,597	-19,746	0	0
Recovery of prior year obligations.....	-9,713	-7,229	0	0	0	0	0	0
Unobligated balance, start of year.....	-2,022	-731	0	0	0	0	0	0
Unobligated balance, end of year.....	23,836	12,333	0	0	0	0	0	0
Total Appropriation.....	37,192	19,746	35,597	19,746	-35,597	-19,746	0	0

Staff Years are reflected in the Salaries and Expenses Project Statement.

PROJECT STATEMENT

(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Direct farm labor housing loans.....	\$15,218	\$5,500	\$42,686	\$16,383	-\$42,686	-\$16,383	\$0	\$0
Domestic farm labor housing grants.....	9,873	9,873	15,696	15,696	-15,696	-15,696	0	0
Total Available or Estimate.....	25,091	15,373	58,382	32,079	-58,382	-32,079	0	0
Recovery of prior year obligations.....	-9,713	-7,229	0	0	0	0	0	0
Unobligated balance, start of year.....	-2,022	-731	-22,785	-12,333	0	0	0	0
Unobligated balance, end of year.....	23,836	12,333	0	0	0	0	0	0
Total Appropriation.....	37,192	19,746	35,597	19,746	-58,382	-32,079	0	0

Staff Years are reflected in the Salaries and Expenses Project Statement.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$25,724,000 in direct farm labor housing loans (\$25,724,000 available in 2011).

The decrease is a result of moving the farm labor housing programs from a separate account into the rural housing insurance fund program account. To gain efficiencies in administering the program, the farm labor housing loan and grant programs have been merged with the rural housing insurance fund account.

- (2) A decrease of \$9,873,000 in the direct farm labor housing loan subsidy (\$9,873,000 available in 2011).

The decrease is a result of moving the farm labor housing programs from a separate account into the rural housing insurance fund program account. To gain efficiencies in administering the program, the farm labor housing loan and grant programs have been merged with the rural housing insurance fund account.

- (3) A decrease of \$9,873,000 in the farm labor housing grants (\$9,873,000 available in 2011).

The decrease is a result of moving the farm labor housing programs from a separate account into the rural housing insurance fund program account. To gain efficiencies in administering the program, the farm labor housing loan and grant programs have been merged with the rural housing insurance fund account.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Farm Labor Housing Loans

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arkansas	\$1,028,400	--	--
California	6,127,817	--	--
Connecticut	250,000	--	--
Iowa	216,500	--	--
Massachusetts	117,438	--	--
Michigan	393,000	--	--
Oregon	2,986,723	--	--
Texas	1,200,000	--	--
Vermont	54,035	--	--
Washington	2,037,000	--	--
Wisconsin	323,350	--	--
Puerto Rico	483,434	--	--
Total Avail./Est.	<u>\$15,217,697</u>	<u>\$42,686,269</u> <sup>1/</sup>	<u>--</u>

Farm Labor Housing Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
California	\$1,143,000	--	--
Massachusetts	1,056,945	--	--
Oregon	2,278,055	--	--
Texas	1,800,000	--	--
Washington	3,595,000	--	--
Total Avail./Est.	<u>\$9,873,000</u>	<u>\$15,695,641</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
FARM LABOR PROGRAM ACCOUNT

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$15,372,676</u>	<u>\$32,078,632</u>	<u>\$0</u>
Total direct obligations.....	<u>15,372,676</u>	<u>32,078,632</u>	<u>0</u>

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

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, \$16,000,000, to remain available until expended, which 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*, 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.

## RURAL HOUSING SERVICE

Analysis of Change in AppropriationMULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

(On basis of loan levels, subsidies, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Annualized Continuing Resolution, 2011.....	\$38,556,637	\$18,791,000	\$24,400,000 *
Budget Estimate, 2012 .....	0	0	16,000,000
Change in Appropriation.....	<u>-38,556,637</u>	<u>-18,791,000</u>	<u>-8,400,000</u>

\*\$16.4 million for vouchers; \$8 million for grants

**PROJECT STATEMENT - CURRENT LAW**  
(On basis of supportable loan level and appropriated subsidy and grants)  
(In thousands of dollars)

	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Rural housing voucher program and administrative expenses.....	\$10,709	\$10,709	\$16,400	\$16,400	-\$400	-\$400 (2)	\$16,000	\$16,000
Multi-family housing revitalization modifications (Sec.515).....	0	10,246	0	0	0	0	0	0
Multi-family housing revitalization zero percent (Sec.515).....	4,560	1,740	25,454	11,500	-25,454 (1)	-11,500 (3)	0	0
Multi-family housing revitalization soft seconds (Sec. 515).....	19,744	14,385	8,771	5,500	-8,771 (1)	-5,500 (3)	0	0
Multi-family housing revitalization soft seconds (Sec. 515)								
2008 disasters emergency supplemental a/.....	3,081	2,245	0	0	0	0	0	0
Multi-family housing revitalization grants (Sec. 515).....	293	293	8,000	8,000	-8,000 (1)	-8,000 (3)	0	0
Multi-family housing preservation demo revolving loan fund....	2,000	558	4,332	1,791	-4,332 (1)	-1,791 (3)	0	0
Total A available or Estimate.....	40,388	40,177	62,957	43,191	-\$46,957	-\$27,191	16,000	16,000
Recovery of prior year obligations.....	-546	-546	0	0	0	0	0	0
Unobligated balance start of year.....	-32,809	-20,957	0	0	0	0	0	0
Unobligated balance end of year.....	61,474	24,517	0	0	0	0	0	0
Total Appropriation.....	68,507	43,191	62,957	43,191	-46,957	-27,191	16,000	16,000

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Transfer \$7,760,000 from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329, dated September 30, 2008, Division B, which provides additional amounts for authorized activities of agencies of the Rural Development Mission Area in areas affected by a disaster declared by the President or the Secretary of Agriculture.

PROJECT STATEMENT - CURRENT LAW  
 (On basis of available supportable loan level, subsidy, and grants)  
 (In thousands of dollars)

	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural housing voucher program and administrative expenses.....	\$10,709	\$10,709	\$25,285	\$25,285	-\$9,285	-\$9,285	\$16,000	\$16,000
Multi-family housing revitalization modifications (Sec.515).....	0	10,246	0	1,785	0	-1,785	0	0
Multi-family housing revitalization zero percent (Sec.515).....	4,560	1,740	25,874	11,690	-25,874	-11,690	0	0
Multi-family housing revitalization soft seconds (Sec. 515).....	19,744	14,385	13,340	8,366	-13,340	-8,366	0	0
Multi-family housing revitalization soft seconds (Sec. 515)								
2008 disasters emergency supplemental a/.....	3,081	2,245	0	0	0	0	0	0
Multi-family housing revitalization grants (Sec. 515).....	293	293	8,006	8,006	-8,006	-8,006	0	0
Multi-family housing preservation demo revolving loan fund.....	2,000	558	17,082	7,062	-17,082	-7,062	0	0
Total Available or Estimate.....	40,388	40,177	89,587	62,193	-73,587	-46,193	16,000	16,000
Recovery of prior year obligations.....	-546	-546	0	0	0	0	0	0
Unobligated balance start of year.....	-32,809	-20,957	-32,145	-24,517	32,145	0	0	0
Unobligated balance end of year.....	61,474	24,517	0	0	0	0	0	0
Unobligated balance rescission b/.....	0	0	5,515	5,515	-5,515	-5,515	0	0
Total Appropriation.....	68,507	43,191	62,957	43,191	-46,957	-51,708	16,000	16,000

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Transfer \$7,760,000 from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329, dated September 30, 2008, Division B, which provides additional amounts for authorized activities of agencies of the Rural Development Mission Area in areas affected by a disaster declared by the President or the Secretary of Agriculture.

b/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with section 301 of the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$46,557,000 in the multi-family housing preservation loan programs (\$46,557,000 available in 2011).

Due to budget priorities, the FY 2012 budget does not include funding for this program. In addition, the section 515 direct rural rental housing loans can fund similar projects for renovation of rural rental properties for low-income residents. Other programs are also available which provide similar services. While repair and rehabilitation of the portfolio is important, funding through an open ended demonstration program has been carried out since FY 2006 and the most cost-effective and justified repairs have been achieved.

- (2) A decrease of \$400,000 in the multi-family housing preservation vouchers program (\$16,400,000 available in 2011).

The budget requests \$16,000,000 for the rural housing voucher program which will provide relief to low-income households threatened with displacement from properties exiting the program. The increase funding for the multi-family housing preservation vouchers program will allow for the issuance and annual renewal of rural development vouchers to tenants in prepaid and foreclosed multi-family properties.

- (3) A decrease of \$26,791,000 in subsidy for the multi-family housing revitalization loan program (\$26,791,000 available in 2011).

The decrease is due to the termination of funding for the multi-family programs as mentioned above.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Multi-Family Housing Revitalization Soft Second Loans  
2008 Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Louisiana	\$2,396,537	--	--
Ohio	<u>684,745</u>	<u>--</u>	<u>--</u>
Total Avail./Est.	<u>\$3,081,282</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Multi-Family Housing Revitalization Zero Percent Loans

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Connecticut	\$329,675	--	--
Georgia	333,000		
Kansas	387,000	--	--
Missouri	853,930	--	--
New Hampshire	1,199,000	--	--
Ohio	53,002	--	--
South Carolina	268,000	--	--
Texas	695,340	--	--
Vermont	441,000	--	--
Total Avail./Est.	<u>\$4,559,947</u>	<u>\$25,874,196</u> <sup>1/</sup>	<u>--</u>

Multi-Family Housing Revitalization Soft Second Loans

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$72,325	--	--
California	1,105,840	--	--
Florida	181,434	--	--
Georgia	1,655,753	--	--
Illinois	115,500	--	--
Indiana	377,275	--	--
Iowa	1,000	--	--
Kansas	151,785	--	--
Louisiana	2,292,977	--	--
Maine	1,855,143	--	--
Michigan	4,090,233	--	--
Minnesota	127,281	--	--
Missouri	299,348	--	--
Nebraska	1,970,808	--	--
New Hampshire	575,000	--	--
New York	1,678,281	--	--
North Carolina	412,198	--	--
North Dakota	270,928	--	--
South Dakota	1,875,224	--	--
Vermont	192,000	--	--
Wisconsin	399,860	--	--
Wyoming	43,600	--	--
Total Avail./Est.	<u>\$19,743,793</u>	<u>\$13,340,057</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Housing Voucher Program

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$66,336	--	--
Alaska	34,594	--	--
Arizona	3,420	--	--
Arkansas	14,704	--	--
California	19,452	--	--
Colorado	20,940	--	--
Florida	1,051,791	--	--
Georgia	397,104	--	--
Idaho	216,141	--	--
Illinois	258,396	--	--
Indiana	80,444	--	--
Iowa	437,758	--	--
Kansas	8,544	--	--
Kentucky	45,345	--	--
Louisiana	12,240	--	--
Maine	188,657	--	--
Maryland	8,100	--	--
Michigan	214,096	--	--
Minnesota	222,108	--	--
Missouri	446,667	--	--
Montana	45,996	--	--
Nebraska	131,950	--	--
Nevada	3,336	--	--
New Hampshire	87,516	--	--
New Jersey	338,627	--	--
New Mexico	214,917	--	--
New York	471,218	--	--
North Carolina	154,314	--	--
North Dakota	134,810	--	--
Ohio	92,892	--	--
Oklahoma	46,256	--	--
Oregon	104,222	--	--
Pennsylvania	23,004	--	--
South Carolina	374,092	--	--
South Dakota	46,396	--	--
Tennessee	152,919	--	--
Texas	459,835	--	--
Utah	29,345	--	--
Virginia	8,160	--	--
Washington	84,600	--	--
Wisconsin	360,885	--	--
Wyoming	166,644	--	--
Puerto Rico	10,668	--	--
Administrative Expenses	3,420,000	--	--
Total Avail./Est.	<u>\$10,709,439</u>	<u>\$25,284,688 1/</u>	<u>\$16,000,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Multi-Family Housing Revitalization Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Missouri	\$117,290	--	--
New Jersey	50,000	--	--
North Dakota	32,965	--	--
South Dakota	93,046	--	--
Total Avail./Est.	<u>\$293,301</u>	<u>\$8,005,571</u> <sup>1/</sup>	<u>--</u>

Multi-Family Housing Preservation Demonstration Loan Fund

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Pennsylvania	<u>\$2,000,000</u>	--	--
Total Avail./Est.	<u>\$2,000,000</u>	<u>\$17,082,295</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL HOUSING SERVICE

## MULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$40,177,459</u>	<u>\$62,192,596</u>	<u>\$16,000,000</u>
Total direct obligations.....	<u>40,177,459</u>	<u>62,192,596</u>	<u>16,000,000</u>

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rental Assistance Program

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) 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, \$906,653,000; 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 this amount not less than \$3,000,000 is available for newly constructed units financed by section 515 of the Housing Act of 1949, and not less than \$3,000,000 is for newly constructed units financed under sections 514 and 516 of the Housing Act of 1949: *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 any unexpended balances remaining at the end of such one-year agreements may be transferred and used for the 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 2012 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.

RURAL HOUSING SERVICE

Analysis of Change in Appropriation

RENTAL ASSISTANCE PROGRAM

Annualized Continuing Resolution, 2011.....	\$980,000,000
Budget Estimate, 2012.....	<u>906,653,000</u>
Change in Appropriation.....	<u><u>-73,347,000</u></u>

PROJECT STATEMENT  
(On basis of appropriation)  
(In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Rental assistance (sec 521).....	\$973,698	\$974,253	-\$73,600	\$900,653
Rental assistance 2009/2010 (sec. 521).....	0	0	0	0
Rental assistance - new construction (sec. 515) .....	2,343	2,347	653	3,000
Rental assistance - new construction (sec. 514/516) .....	2,889	3,399	-399	3,000
Rental assistance (sec. 502).....	0	0	0	0
Total Available or Estimate.....	978,930	980,000	-73,347 (1)	906,653
Unobligated balance start of year .....	-278	0	0	0
Unobligated balance expiring .....	1,348	0	0	0
Total Appropriation.....	980,000	980,000	-73,347	906,653

Staff years are reflected in the Salaries and Expenses Project Statement.

PROJECT STATEMENT  
(On basis of available/supportable loan levels, subsidies, and grants)  
(In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Rental assistance (sec 521).....	\$973,698	\$974,253	-\$73,600	\$900,653
Rental assistance 2009/2010 (sec. 521).....	0	0	0	0
Rental assistance - new construction (sec. 515) .....	2,343	2,347	653	3,000
Rental assistance - new construction (sec. 514/516) .....	2,889	3,399	-399	3,000
Rental assistance (sec. 502).....	0	0	0	0
Total Available or Estimate.....	978,930	980,000	-73,347	906,653
Unobligated balance start of year .....	-278	0	0	0
Unobligated balance expiring .....	1,348	0	0	0
Total Appropriation.....	980,000	980,000	-73,347	906,653

Staff years are reflected in the Salaries and Expenses Project Statement.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$73,347,000 in section 521 rental assistance (\$980,000,000 available in 2011).

The level of funding requested is sufficient to renew 204,500 of the expiring rental assistance contracts during 2012. This level reflects an estimate that approximately 300 properties will leave the Section 514 and Section 515 programs due to the agency's more aggressive loan servicing on properties that have not been properly maintained to provide tenants with decent, safe, and sanitary housing. The rental assistance associated with the properties exiting the program can be retired. Additionally, RHS will reduce the renewal period from 90 days prior to expiration to 60 days prior to expiration of the contracts. This reduces the amount of funding needed in the beginning of the fiscal year and ensures that the contracts are renewed. Finally, it is anticipated that some property owners will elect to leave the Section 515 program as their mortgages are paid off.

Rural Development staff assists all tenants effected by this change in policy with a Letter of Priority Entitlement to tenants, placing them at the top of any waiting lists at other RD properties, and working with other Federal, state and local agencies to find alternative housing and subsidies, including the RHS voucher program to the extent funds are available and tenants are income-eligible.

Rental assistance provides an additional source of support for households with incomes too low to pay basic rent. This level of funding will allow USDA to continue to provide this needed support in rural communities.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Rental Assistance Programs

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$27,134,016	--	--
Alaska	5,171,256	--	--
Arizona	14,308,680	--	--
Arkansas	20,224,764	--	--
California	70,098,009	--	--
Colorado	11,909,400	--	--
Connecticut	7,355,856	--	--
Delaware	6,549,473	--	--
Florida	52,433,088	--	--
Georgia	23,344,920	--	--
Hawaii	5,938,944	--	--
Idaho	14,994,456	--	--
Illinois	23,769,140	--	--
Indiana	21,574,644	--	--
Iowa	19,241,076	--	--
Kansas	9,112,900	--	--
Kentucky	15,438,600	--	--
Louisiana	35,743,817	--	--
Maine	29,661,848	--	--
Maryland	17,057,628	--	--
Massachusetts	8,882,333	--	--
Michigan	30,053,280	--	--
Minnesota	14,595,008	--	--
Mississippi	38,845,952	--	--
Missouri	16,752,960	--	--
Montana	5,378,340	--	--
Nebraska	7,085,628	--	--
Nevada	7,961,184	--	--
New Hampshire	12,018,464	--	--
New Jersey	8,816,577	--	--
New Mexico	13,517,112	--	--
New York	20,291,000	--	--
North Carolina	60,478,704	--	--
North Dakota	4,462,080	--	--
Ohio	22,164,587	--	--
Oklahoma	18,352,512	--	--
Oregon	16,127,200	--	--
Pennsylvania	25,533,312	--	--
Rhode Island	2,072,304	--	--
South Carolina	26,425,811	--	--
South Dakota	10,189,368	--	--
Tennessee	22,314,649	--	--
Texas	40,038,544	--	--
Utah	6,687,528	--	--
Vermont	8,284,193	--	--
Virginia	21,438,360	--	--
Washington	26,144,458	--	--
West Virginia	11,953,116	--	--
Wisconsin	13,903,680	--	--
Wyoming	4,268,132	--	--
Puerto Rico	17,905,200	--	--
Virgin Islands	4,925,568	--	--
W. Pacific Areas	--	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$978,929,659</u>	<u>\$980,000,000 <sup>1/</sup></u>	<u>\$906,653,000 <sup>1/</sup></u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL HOUSING SERVICE

## RURAL RENTAL ASSISTANCE PROGRAM

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$978,929,659</u>	<u>\$980,000,000</u>	<u>\$906,653,000</u>
Total direct obligations.....	<u>978,929,659</u>	<u>980,000,000</u>	<u>906,653,000</u>

RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Housing Assistance Grants (including transfer of funds)

For grants and contracts for very low-income housing repair made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, \$11,520,000, to remain available until expended: *Provided*, That of the total amount appropriated under this heading, the amount equal to the amount of Rural Housing Assistance Grants allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year 2011, shall be available through June 30, 2012, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

RURAL HOUSING SERVICE

Analysis of Change in Appropriation

RURAL HOUSING ASSISTANCE GRANTS

Annualized Continuing Resolution, 2011.....	\$45,500,000
Budget Estimate, 2012.....	<u>11,520,000</u>
Change in Appropriation.....	<u><u>-33,980,000</u></u>

**PROJECT STATEMENT**  
 (On basis of appropriation)  
 (In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Very-low income housing repair grants.....	\$31,840	\$31,600	-\$20,080 (1)	\$11,520
Very-low income housing repair grants 2005 hurricanes emer. suppl. a/.....	1,652	0	0	0
Housing repair grants, 2008 Disasters emergency supplemental b/.....	1,712	0	0	0
Compensation for construction defects.....	77	500	-500 (2)	0
Rural housing preservation grants.....	10,371	9,400	-9,400 (3)	0
Processing workers housing grants.....	1,000	0	0	0
Farm Bill Section 14204 grants c/.....	0	4,000	-4,000 (4)	0
<b>Total Available or Estimate.....</b>	<b>46,652</b>	<b>45,500</b>	<b>-33,980</b>	<b>11,520</b>
Recovery of prior year obligations.....	-1,270	0	0	0
Unobligated balance available, start of year.....	-26,680	0	0	0
Transfer of section 14204 of Farm Bill Grants to Office of Advocacy and Outreach.....	4,000	0	0	0
Unobligated balance available, end of year.....	22,797	0	0	0
Rescission of unobligated balance d/.....	0	0	0	0
<b>Total Appropriation.....</b>	<b>45,500</b>	<b>45,500</b>	<b>-33,980</b>	<b>11,520</b>

Staff-years are reflected in the Salaries and Expenses Project Statement.

PROJECT STATEMENT  
 (On basis of obligations under available funds)  
 (In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Very-low income housing repair grants.....	\$31,840	\$32,125	-\$20,605	\$11,520
Very-low income housing repair grants 2005 hurricanes emer. suppl. a/.....	1,652	0	0	0
Housing repair grants, 2008 Disasters..... emergency supplemental b/.....	1,712	0	0	0
Supervisory and technical assistance grants.....	0	80	-80	0
Compensation for construction defects.....	77	1,012	-1,012	0
Rural housing preservation grants.....	10,371	9,779	-9,779	0
Processing workers housing grants.....	1,000	2,167	-2,167	0
Farm Bill Section 14204 grants c/.....	0	4,000	-4,000	0
Total Available or Estimate.....	46,653	49,163	-37,643	11,520
Recovery of prior year obligations.....	-1,270	0	0	0
Unobligated balance available, start of year.....	-26,680	-22,797	22,797	0
Transfer of section 14204 of Farm Bill Grants to Office of Advocacy and Outreach.....	4,000	0	0	0
Unobligated balance available, end of year e/.....	22,797	21	-21	0
Unobligated balance rescinded d/.....	0	19,113	-19,113	0
Total Appropriation.....	45,500	45,500	-33,980	11,520

Staff-years are reflected in the Salaries and Expenses Project Statement.

## Project Statement Footnotes:

- a/ Provided by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and the Pandemic Influenza Act, 2006, P.L. 109-148, signed December 30, 2005, for the purpose of serving communities affected by hurricanes that occurred during the FY 2005 calendar year. Additional appropriations were provided in P.L. 110-329 and transferred from the Rural Development Disaster Assistance Fund.
- b/ Transfer \$5 million from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329, dated September 30, 2008, Division B, which provides additional amounts for authorized activities of agencies of the Rural Development Mission Area in areas affected by a disaster declared by the President or the Secretary of Agriculture.
- c/ Provided by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010, P.L. 111-80, signed October 21, 2009, for grants authorized by section 14204 of the Food, Conservation, and Energy Act of 2008. The funds was transferred to the Office of Advocacy and Outreach where the program will be housed permanently.
- d/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with section 301 of the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.
- e/ Unobligated balances at the end of FY 2011 include cancellations after 8/10/10 of natural disaster funds. These funds have neither been rescinded nor does OMB want the amounts reflected for obligation.

JUSTIFICATION OF INCREASES

- (1) A decrease of \$20,080,000 in section 504 housing repair grants (\$31,600,000 available in 2011).

This decrease is a result of budget priorities. This reduced level will allow elderly very-low income rural residents some support for home improvements and will be sufficient to guarantee full obligation of these funds, which has been a problem in recent years at higher levels of funding.

- (2) A decrease of \$500,000 in section 509 compensation for construction defects (\$500,000 available in 2011).

Because of diminished demand for this program, funding is no longer needed.

- (3) A decrease of \$9,400,000 in section 533 housing preservation grants (\$9,400,000 available in 2011).

Funding can be provided using section 504 housing repair grants and section 515 loans..

- (4) A decrease of \$4,000,000 in section 14204 of Farm Bill grants (\$4,000,000 available in 2011).

This was new funding for FY 2010 but the program has been permanently transferred to the Office of Outreach and Advocacy under Departmental Administration.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Very Low-Income Housing Repair Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$1,137,077	--	--
Alaska	137,500	--	--
Arizona	664,955	--	--
Arkansas	895,631	--	--
California	377,673	--	--
Colorado	300,123	--	--
Connecticut	89,972	--	--
Delaware	40,153	--	--
Florida	838,029	--	--
Georgia	1,100,795	--	--
Hawaii	251,490	--	--
Idaho	369,214	--	--
Illinois	915,175	--	--
Indiana	823,064	--	--
Iowa	478,821	--	--
Kansas	689,534	--	--
Kentucky	1,027,588	--	--
Louisiana	820,687	--	--
Maine	646,996	--	--
Maryland	250,572	--	--
Massachusetts	184,557	--	--
Michigan	1,124,753	--	--
Minnesota	645,979	--	--
Mississippi	1,076,265	--	--
Missouri	930,429	--	--
Montana	156,762	--	--
Nebraska	395,004	--	--
Nevada	152,497	--	--
New Hampshire	457,200	--	--
New Jersey	90,047	--	--
New Mexico	168,760	--	--
New York	1,019,849	--	--
North Carolina	1,533,984	--	--
North Dakota	386,839	--	--
Ohio	1,144,342	--	--
Oklahoma	727,820	--	--
Oregon	224,288	--	--
Pennsylvania	1,352,904	--	--
Rhode Island	50,010	--	--
South Carolina	874,992	--	--
South Dakota	243,391	--	--
Tennessee	1,015,964	--	--
Texas	2,293,527	--	--
Utah	224,644	--	--
Vermont	271,657	--	--
Virginia	828,186	--	--
Washington	353,657	--	--
West Virginia	607,060	--	--
Wisconsin	762,501	--	--
Wyoming	74,725	--	--
Puerto Rico	388,921	--	--
Virgin Islands	43,654	--	--
W. Pacific Areas	180,020	--	--
Total Avail./Est.	<u>\$31,840,237</u>	<u>\$32,124,812 1/</u>	<u>\$11,520,000 1/</u>

1/ Cannot be distributed by geographic area in advance

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Very Low-Income Housing Grants  
2005 Hurricanes for Natural Disaster

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$285,065	--	--
Louisiana	294,944	--	--
Mississippi	974,534	--	--
Texas	97,230	--	--
Total Avail./Est.	<u>\$1,651,773</u>	<u>--</u>	<u>--</u>

Very Low-Income Housing Grants  
2008 Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arkansas	\$355,121	--	--
Georgia	70,900	--	--
Illinois	159,775	--	--
Indiana	222,082	--	--
Iowa	92,089	--	--
Kentucky	64,173	--	--
Louisiana	188,027	--	--
Maine	8,753	--	--
Mississippi	45,000	--	--
Missouri	165,289	--	--
Nebraska	37,157	--	--
Tennessee	76,803	--	--
Texas	7,200	--	--
West Virginia	91,620	--	--
Wisconsin	127,938	--	--
Total Avail./Est.	<u>\$1,711,927</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
Actual 2010 and Estimated 2011 and 2012

Rural Housing Preservation Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$333,000	--	--
Alaska	53,606	--	--
Arizona	162,552	--	--
Arkansas	210,952	--	--
California	715,168	--	--
Colorado	76,710	--	--
Connecticut	50,000	--	--
Delaware	50,000	--	--
Florida	100,000	--	--
Georgia	353,140	--	--
Hawaii	72,144	--	--
Idaho	67,852	--	--
Illinois	255,473	--	--
Indiana	196,980	--	--
Iowa	183,555	--	--
Kansas	151,500	--	--
Kentucky	387,518	--	--
Louisiana	289,489	--	--
Maine	83,400	--	--
Maryland	80,363	--	--
Massachusetts	72,418	--	--
Michigan	271,864	--	--
Minnesota	152,781	--	--
Mississippi	324,750	--	--
Missouri	262,325	--	--
Montana	106,619	--	--
Nebraska	65,112	--	--
Nevada	100,000	--	--
New Hampshire	100,000	--	--
New Jersey	110,000	--	--
New Mexico	131,229	--	--
New York	255,000	--	--
North Carolina	450,000	--	--
North Dakota	100,000	--	--
Ohio	315,059	--	--
Oklahoma	261,826	--	--
Oregon	129,950	--	--
Pennsylvania	336,700	--	--
Rhode Island	50,000	--	--
South Carolina	245,654	--	--
South Dakota	54,519	--	--
Tennessee	379,447	--	--
Texas	698,152	--	--
Utah	50,000	--	--
Vermont	174,682	--	--
Virginia	242,915	--	--
Washington	159,173	--	--
West Virginia	226,889	--	--
Wisconsin	171,045	--	--
Wyoming	50,000	--	--
Puerto Rico	449,575	--	--
Virgin Islands	--	--	--
W. Pacific Areas	--	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$10,371,086</u>	<u>\$9,779,337</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Compensation for Construction Defects Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Georgia	\$13,673	--	--
Maryland	\$3,780	--	--
Mississippi	48,628	--	--
Ohio	6,340	--	--
West Virginia	4,900	--	--
Total Avail./Est.	<u>\$77,321</u>	<u>\$1,012,095</u> <sup>1/</sup>	<u>--</u>

Supervisory and Technical Assistance Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>--</u>	<u>\$79,797</u> <sup>1/</sup>	<u>--</u>

Farm Bill Section 14204 Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>--</u>	<u>\$4,000,000</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Processing Workers Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Utah	<u>\$1,000,000</u>	<u>--</u>	<u>--</u>
Total Avail./Est.	<u>\$1,000,000</u>	<u>\$2,167,370</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL HOUSING SERVICE

## RURAL HOUSING ASSISTANCE GRANTS

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

Other Objects:	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
41 Grants, subsidies, and contributions....	<u>\$46,652,344</u>	<u>\$49,163,410</u>	<u>\$11,520,000</u>
Total direct obligations.....	<u><u>46,652,344</u></u>	<u><u>49,163,410</u></u>	<u><u>11,520,000</u></u>

RURAL HOUSING SERVICE

Analysis of Change in Appropriation

MUTUAL AND SELF HELP HOUSING GRANTS

Annualized Continuing Resolution, 2011 .....	\$41,864,000
Budget Estimate, 2012.....	0
Change in Appropriation.....	<u><u>-41,864,000</u></u>

PROJECT STATEMENT  
(On basis of appropriation)  
(In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Mutual and self-help housing grants.....	\$42,686	\$41,864	-\$41,864 (1)	\$0
Total Available or Estimate.....	42,686	41,864	-41,864	0
Recovery of prior year obligations.....	-825	0	0	0
Unobligated balance available, start of year.....	-14,522	0	0	0
Unobligated balance available, end of year.....	14,525	0	0	0
Total Appropriation.....	41,864	41,864	-41,864	0

Staff years are reflected in the Salaries and Expenses Project Statement.

PROJECT STATEMENT  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Mutual and self-help housing grants.....	\$42,686	\$56,389	-\$56,389	\$0
Total Available or Estimate.....	42,686	56,389	-56,389	0
Recovery of prior year obligations.....	-825	0	0	0
Unobligated balance available, start of year.....	-14,522	-14,525	0	0
Unobligated balance available, end of year.....	14,525	0	0	0
Total Appropriation.....	41,864	41,864	-56,389	0

Staff years are reflected in the Salaries and Expenses Project Statement.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$41,864,000 in mutual and self-help housing grants (\$41,864,000 available in 2011)

Due to budget priorities, no funding is proposed in the FY 2012 budget for this program. The FY 2012 budget funds single family housing activities primarily through the section 502 single family housing guaranteed loan program. The mutual and self-help housing grant program has remained constant at a straight-lined program level for over 10 years. At this level of funding the program does not make a measurable impact, due to a national allocation process that dilutes effectiveness and labor-intensive review processes. In addition, because the mutual and self-help housing grants function primarily in tandem with the single family housing direct loan program, and the single family housing direct loan program is significantly reduced with the remaining funds targeted to Administration priorities, there is less need for mutual and self-help housing grants in FY 2012.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Mutual and Self-Help Housing Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arizona	4,837,121	--	--
Arkansas	2,395,979	--	--
California	9,240,858	--	--
Delaware	1,155,000	--	--
Florida	3,549,531	--	--
Illinois	283,140	--	--
Kansas	360,000	--	--
Louisiana	646,650	--	--
Maine	1,170,000	--	--
Mississippi	317,540	--	--
Missouri	324,000	--	--
Montana	696,000	--	--
North Carolina	628,872	--	--
Ohio	600,000	--	--
Oklahoma	4,869,371	--	--
Oregon	137,490	--	--
Pennsylvania	299,999	--	--
South Carolina	275,000	--	--
South Dakota	353,977	--	--
Texas	607,945	--	--
Utah	4,071,459	--	--
Washington	5,645,768	--	--
District of Columbia	148,650	--	--
W. Pacific Areas	71,770	--	--
Total Avail./Est.	<u>\$42,686,120</u>	<u>\$56,388,663</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL HOUSING SERVICE

## MUTUAL AND SELF HELP HOUSING GRANTS

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$42,686,120</u>	<u>\$56,388,663</u>	<u>\$0</u>
Total direct obligations.....	<u>42,686,120</u>	<u>56,388,663</u>	<u>0</u>

**RURAL HOUSING SERVICE****SUMMARY OF RECOVERY ACT FUNDING**  
(in thousands)

<u>Program/Project/Activity</u>	FY 2009		FY 2010	
	PL Actual	BA Actual	PL Available	BA Available
Rural Community Loans Program	\$204,369	\$11,690	\$1,098,519	\$14,391
Rural Community Grants Program	31,117	31,117	70,441	70,441
Section 502 Direct Single Family Housing Low Income Loan Program	267,124	17,951	1,131,244	41,064
Section 502 Guaranteed Single Family Housing Purchase Loan Program	8,557,498	108,679	1,148,153	16,533
Section 502 Guaranteed Single Family Housing Refinance Loan Program	482,013	4,724	72,618	1,249
<b>Total Available for Program</b>	<b>\$9,542,121</b>	<b>\$174,161</b>	<b>\$3,520,975</b>	<b>143,678</b>
Salaries and Expenses	\$2,668	\$2,668	\$2,668	\$2,668
<b>Total Available</b>	<b>\$9,544,789</b>	<b>\$176,829</b>	<b>\$3,523,643</b>	<b>\$146,346</b>

Project Statement – Recovery Act  
(On basis of available funds)  
(in thousands)

	FY 2009			FY 2010		
	PL Available	BA Available	Staff Years	PL Available	BA Available	Staff Years
Rural Community Loans Program	\$204,369	\$11,690		\$1,098,519	\$14,391	
Rural Community Grants Program	31,117	31,117		70,441	70,441	
Section 502 Direct Single Family Housing Low Income Loan Program	267,124	17,951		1,131,244	41,064	
Section 502 Guaranteed Single Family Housing Purchase Loan Program	8,557,498	108,679		1,148,153	16,533	
Section 502 Guaranteed Single Family Housing Refinance Loan Program	482,013	4,724		72,618	1,249	
<b>Total Available for Program</b>	<b>\$9,542,121</b>	<b>\$171,161</b>		<b>\$3,520,975</b>	<b>\$143,678</b>	
<b>Total Available</b>	<b>\$9,542,121</b>	<b>\$171,161</b>	<b>2,252</b>	<b>\$3,520,975</b>	<b>\$143,678</b>	<b>2,612</b>

Program Implementation Activities:**Community Facilities Program****Goals:**

Community Facilities Program provides funding for essential facilities related to health care, public safety, education, public services, transportation and cultural projects. The funding results in an improved quality of life for rural residents while creating and saving jobs in rural communities.

**Objectives:**

The program's specific Recovery Act objectives include a 10 percent investment of ARRA funds in persistent poverty counties. And, provide 24 million rural residents with new or improved essential community services. Plus, create and save jobs in rural America.

**Planning Phase:**

- March 2009 – Apportionment of funding completed
- March 2009- Establishment of RD Recovery Act Web Page with Community Facilities Direct Loan and Grant Program information
- April 2009 – Administrative Notice to State and Area Offices on ARRA Implementation
- April 2009 – Community Programs Teleconference on ARRA Funding
- May 2009 – Submission of Agency and Program Specific Plans to OMB

**Project Execution Stage:**

- April 2009 – Allocation of Funds to State Offices
- April 2009 – Notice of Funds Availability published for all Rural Development Programs implementing ARRA.
- May – September 2009 – State allocations are monitored and teleconferences and assistance visits provided to ensure proper utilization of funds.
- September 2009 – Community Facilities ARRA funding is pooled into National office Account at the end of September.
- October 2009 – Remaining Community Facilities ARRA funding is redistributed based upon allocation formulas.

**FY 2010 Accomplishments:**

In FY 2010, 388 Community Facilities Direct Loans and 653 Community Facilities Grants under the ARRA program were obligated. These funds were used to purchase, construct or improve 103 health care facilities, 253 educational facilities, 176 public safety facilities, and 218 other essential community facilities.

Planned Activities: Programs will be monitored according to regulatory and agency requirements.

**Rural Housing Programs****Goals:**

Single Family Housing provides homeownership financing to credit and income eligible individuals for the purchase, construction, rehabilitation or refinancing of a residence located in a rural area. Direct loans are funded by the Government and are available for very low-income (below 50 percent of area median income), and low-income (between 50 & 80 percent of area median income) households. Mortgage payments are based on the household's adjusted income, and may be subsidized. Guaranteed loans are made by Agency approved lenders and losses are insured up to 90 percent with the Government's guarantee. Loans are available to applicants whose income does not exceed 115 percent of the area median income.

**Objectives:**

The program's objective is to process the backlog of approved applications consisting of approximately 14,200 guaranteed loan applications representing \$1.7 billion. Process 25,000 direct loan applications on hand representing approximately \$2 billion in loan requests and 1,500 guarantee loan requests, representing \$180 million. Continue to accept and process new loan request.

**Planning Phase:**

- March 27, 2009--Draft Detailed Outline of Single Family Housing Program Specific Plan
- March 2009--Estimate date to establish the RD-Single Family Housing ARRA website (LAPAS)
- March 20, 2009--SFH initial release of funds to Rural Development State Offices
- April 3, 2009--Statement of Work for Inspection and Packaging Services drafted.
- April 6, 2009--SFH Direct Full Year Operating Guidance to State Offices Administering Funds
- April 8, 2009--Draft Single Family Housing Program Specific Plan due
- April 15, 2009--Final Single Family Housing Specific Plan Due
- April 20, 2009--Begin Final Clearance Process for Single Family Housing Program Plan
- May 1, 2009--Submit Agency and Program Specific Plans to OMB

**Procurement Activities:**

- May 1, 2009--Solicitation for SFH Direct Loan Packaging and Inspection Services Procurement
- June 15, 2009--SFHDLD Packaging and Inspection Services Contract Awards

**Project Execution:**

- March 20, 2009--Initial release of Section 502 Direct and Guarantee Single Family Housing funds
- March 21, 2009--Provide guidance for processing funding requests to State Office and Agency Approved Lenders
- May 2009 through September 2010—Monitor performance and effectiveness of the Recovery Act implementation.

**FY 2010 Accomplishments:**

Single Family Housing--In FY 2010, Rural Development obligated 9,135 Section 502 Direct loans and 10,020 Section 502 Guaranteed loans under the ARRA program. (The guaranteed ARRA loans include 571 for refinancing.)

**Planned Activities:**

Programs will be monitored according to regulatory and agency requirements. Rural Development is taking several steps to avoid future unqualified loans as identified by the Office of Inspector General (OIG) Preliminary Audit Findings. One of the preliminary findings was that borrowers exceeded the income eligibility limit (115 percent of median) for the program. To mitigate future risk, the agency will conduct a series of regional lender trainings, to ensure lenders understand that all income coming into the household, including overtime and bonuses, must be considered when determining the adjusted annual income. Actual case studies will be provided from some of the files that were reviewed by the OIG. The training will also encompass all of the other findings identified in the OIG audit. The agency will conduct training for the field staff in the form of a National Single Family Housing Policy Conference. The conference will promote consistency in the delivery of the Single Family Housing Guaranteed Loan Program.

Rural Development will also obsolete the current RD Instruction 1980-D, and replace it with a new regulation 7 CFR, Part 3555, which will be accompanied by a handbook. The handbook will provide detailed guidance and remove most of the ambiguities that are currently found in the 1980-D Instructions. The new regulation, 7 CFR, Part 3555, is on track to be published by October 1, 2011. The agency will also promote the use of the Guaranteed Underwriting System (GUS). The use of GUS will provide a more consistent and timely delivery of the program. Lastly, the agency has already published an Administrative Notice (AN) dated October 14, 2010, that clarifies underwriting, annual income documentation and repayment (qualifying) income requirements. The changes made as a result of the AN implement tighter credit requirements.

## Performance Measures:

Performance Measure	FY 2009 Actual	FY 2010 Actual
1. Rural Community Facilities Programs		
Percentage of rural population with access to improved health services	1.15%	4.4%
Percentage of rural population with access to improved public safety services	3.22%	1.8%
2. Homeownership Opportunities		
Section 502 Direct Single Family Housing Low Income Loan Program	2,030	9,135
Section 502 Guaranteed Single Family Housing Purchase Loan Program	73,348	9,449
Section 502 Guaranteed Single Family Housing Refinance Loan Program	3,845	571

## RURAL DEVELOPMENT HOUSING PROGRAMS

### STATUS OF PROGRAMS

#### Rural Housing Insurance Fund

##### Current Activities:

In the past two years, the Nation's housing markets have suffered setbacks of historic proportions. Due to a weakened general economy and a sharp downturn in many housing markets across the country, home financing, especially affordable housing loans for families with modest incomes, is increasingly hard to obtain. As lenders have pulled back, Rural Development has greatly increased its home loan and guarantee funding, in large part filling a critical gap and assuring that thousands of rural Americans are able to meet their housing needs.

Regular funding for the Section 502 Direct and Guaranteed programs has continued near recent annual levels. In addition, significant funding from ARRA resulted in record output. More than 150,000 families reached their goal of homeownership as a result of \$18.4 billion in direct loans and guarantees. In FY 2010, the Single-Family Housing direct loan program obligated over \$1 billion in annual funds and over \$1.1 billion in American Recovery and Reinvestment Act funds. The Single Family Housing guaranteed loan program obligated over \$16.3 billion in fiscal year 2010.

The Direct and Guaranteed programs will continue to adopt new automation tools to meet this growth in demand. Our popular Guaranteed Underwriting System (GUS) allows participating private-sector lenders to make loans faster and less expensively, resulting in better quality loans and more consistent program delivery. A similar automated underwriting system is in the works for the Direct loan program, which should bring similar benefits.

##### Section 502 Direct Single Family Housing Loans:

Section 502 Direct Single Family Housing Loans are loans that are directly funded by the Government. These loans are available for low- and very low-income households to obtain homeownership. Applicants may obtain 100 percent financing to purchase an existing dwelling, purchase a site and construct a dwelling, or purchase newly constructed dwellings located in rural areas. Mortgage payments are based on the household's adjusted income. A total of 17,640 direct loans totaling \$2.1 billion were obligated in FY 2010. This included 8,505 annual loans totaling just over \$1 billion and 9,135 ARRA loans totaling \$1.1 billion.

##### Section 502 Guaranteed Single Family Housing Loans:

The Section 502 Guaranteed Loan Program's (GLP) popularity continues to increase within the mortgage lending industry. With the recent housing crisis, lenders have been increasingly reluctant to extend credit without government backing. RD provides mortgage credit to rural areas with minimal upfront capital, has no PMI requirement, and features a 30-year fixed rate. Without these guarantee, thousands of home purchasers would be unable to pursue the American dream of homeownership. A total of 133,053 low and moderate income families obtained guarantees, totaling \$16.3 billion in FY 2010, a record for the program that started in 1991. Aside from issuing record guarantees in FY 2010, the GLP is one of the strongest and best performing mortgage loan portfolios in the Nation. Its delinquency and foreclosure rates are well below those of the Federal Housing Administration (FHA). FHA has seen program growth similar to the GLP during the recent housing and economic crisis.

Section 515 Multi-Family Housing Preservation and Revitalization & Direct Rural Rental Housing Programs:

MFH preserved and constructed more than 9,850 units of housing through the Section 515 MFH Preservation program and the Section 515 new construction program in FY 2010. The 311 Section 515 properties funded for new construction or preserved during FY 2010 utilized other public and private funding in a ratio of 3 to 1. This means that for every dollar of Section 515 preservation or new construction funding, the property attracted more than \$3 of other funding.

Section 538 Guaranteed Rural Rental Housing Program (GRRHP):

In FY 2010, the Guaranteed Rural Rental Housing program (GRRHP) committed loan guarantee funds in excess of \$129 million, providing funding to rehabilitate approximately 2,800 affordable housing units and build approximately 2,100 new affordable housing units. The 96 properties using the GRRHP this fiscal year utilized other public and private funding in excess of a 4 to 1 ratio. This means that for every dollar of loan guarantee funds, the property attracted more than \$4 of other funding.

Through its partnerships with Ginnie Mae and Fannie Mae, the majority of GRRHP guaranteed loans have been sold in the secondary market. These partnerships provide liquidity to lenders in the GRRHP and the borrower at a lower rate.

Rural Development has made great strides in attracting lenders and investors into GRRHP. In prior years, a fraction of the loans guaranteed were sold in the secondary market. Because of strong relationships with Ginnie Mae and Fannie Mae, the program has been able to attract new lenders and new investors. Despite the tax credit market and credit market collapses, more than 95 percent of the funding committed in FY 2010 has been, or will be, sold in the secondary market.

Section 504 Housing Repair Loans:

The objective of the Section 504 Home Repair Loan Program is to help very low income owners of modest single family homes repair those homes. Loan funds are available to improve or modernize a home, make it safer or more sanitary, or remove health and safety hazards. Since 1950, USDA has provided nearly 358,000 very low income rural homeowners with repair assistance totaling more than \$1.5 billion. This program obligated over \$25.9 million in FY 2010.

**Rental Assistance Program**

Current Activities:

Multi-Family Housing programs continue to face the challenges of large, needed, but rapidly aging direct loan portfolios serving the affordable rental needs of the most vulnerable residents in rural communities. Specific areas being addressed currently include:

1. Continued engagement with funding partners to draw third party funding into transactions that preserve the portfolio or bring new units to badly underserved rural areas. One significant step in these efforts is participation in the White House Rental Policy Working Group's efforts to align funding and operation requirements between HUD, Treasury and USDA rental housing programs. Improved alignment of funding will help USDA and its partners better leverage resources available through the other agencies. Another goal of the Working Group is to make Federal rental housing programs more attractive to our partners by improving program efficiency and reducing duplication of Federal regulatory requirements.
2. Improvement of administrative internal controls to strengthen verification methods of tenant income in order to reduce the risk of improper rental assistance subsidy payments, thereby reducing the incidence of waste, fraud and abuse at properties financed by Rural Development (RD).

3. Substantive training efforts undertaken by MFH Programs to provide guidance for MFH field staff with less than five years experience servicing the loan portfolio or handling asset management responsibilities.

Section 521 Rental Assistance Program:

In FY 2010, the Section 521 program provided more than \$978.9 million in rental assistance to very low and low income tenants in properties financed with Section 515 or Section 514/516 funds. There are over 275,000 households in RD Multi-Family properties that receive the benefit of rental assistance. The agency's focus on utilizing unused rental assistance has resulted in a significant reduction of rent-overburdened tenants in RD properties. "Rent-overburdened" is defined as paying more than 30 percent of household income towards rent. Since the unused rental assistance policy went into effect in 2005, the number of rent-overburdened tenants has dropped from 78,000 to 65,000, or a 17 percent reduction.

The Section 521 program annually conducts compliance reviews under the Improper Payments Information Act. In FY 2010, the program saw a continued reduction in the error rate as a direct result of training provided by RD and industry groups, from 2.06 percent in FY 2009 to 1.39 percent in FY 2010, or a reduction of 32 percent.

Section 514/516 Farm Labor Housing Program:

The Farm Labor Housing program remains the only national source of construction funds dedicated to farm labor housing. This program provides loans and grants to build housing for both migrant and year-round farm laborers. Funds may also be used for related facilities, such as on-site child care and community buildings. Funding is made available annually through a competitive process.

MFH financed the construction and repair of more than 510 farm labor housing units in FY 2010. The selection process for farm labor housing loans and grants is conducted through a Federal Register notice, which establishes the criteria used by RD to allocate these loans and grants. One of Rural Development's goals is to attract more external funding; typically, groups attracting external financing receive more credit in the application review process. This program obligated \$25.1 million in FY 2010.

Section 542 Voucher Program:

The Voucher program has offered over 11,000 vouchers to residents in rural America during its six year demonstration period. In that time, almost \$25 million in voucher funds have been obligated. Over 95 percent of these rural residents elect to remain in their properties for several years. Intentions behind the program were for a simple, direct and responsive approach to program delivery, without duplicating other Federal rent assistance programs. The program has touched many rural lives and has eased tenants' transition from federally-protected rental properties to the standard market rentals. As an example, the agency received a letter from a voucher holder in South Dakota. The writer was a recipient of a Voucher program subsidy for almost 2 years, from October 2006 until September 2008. When he decided that he could support his family on his own income and did not need rental subsidy anymore, he sent us a thank you letter explaining how the Voucher Program had helped him and his wife through the years. This program obligated \$7.3 million in FY 2010.

Section 523 Mutual and Self-Help Housing Grants

The Mutual and Self-Help program provides the only opportunity for many of the lowest income families in rural areas, including a high portion of minorities, to meet their homeownership goal. Since 1966, USDA has provided \$647 million to non-profit organizations around the country to organize nearly 2,400 groups of families to build their own communities.

Through the years, nearly 46,000 families have built their rural homes through USDA's Self-Help Program. In FY 2010, more than 1,200 families were assisted with loans. This program obligated \$42.7 million in FY 2010. This includes a single dad with three sons, ages two through eight. After living in a trailer home on the farm where he works, the father worked with six other families to build their own homes. Even though he works on his job more than 50 hours per week, he also contributed 40 hours per week to the joint build with some help from his sister and two friends. The father and his boys are excited about the prospect of a new home in a great neighborhood. "I know that, with some sacrifice now, I'll be able to provide a more stable atmosphere and better future for my kids," he said. "I cannot express enough how very proud I am of the boys, and how honored I feel putting in the effort to build this home for them."

### **Rural Housing Assistance Grants**

#### Current Activities:

In order to meet the Department's strategic goal of assisting rural communities to thrive economically, housing programs provide loans, grants and guarantees for housing and community facilities. This includes funding for single family homes, housing for low-income persons, the elderly and disabled, housing for farm laborers, and other housing and community facilities. Since the beginning of housing assistance more than 60 years ago, nearly 3.2 million low income rural Americans have been assisted by USDA to attain and maintain the American dream of homeownership. This homeownership assistance is available to low-income families who by definition are unable to obtain credit elsewhere.

#### Section 504 Housing Repair Grants:

The Section 504 Grant program is available to very low-income homeowners who are 62 years of age or older. The grant funds are used to remove health and safety hazards or make the dwelling more accessible to household members with disabilities. These loans and grants currently average about \$5,600. More than 5,600 very low income families used \$57.8 million in Section 504 loans and grants last year to get their homes back in order. This program obligated \$31.8 million in FY 2010.

#### Section 509 Compensation For Construction Defects:

This program provides funds to Section 502 direct homeowners to repair structural defects in homes constructed by the contractor method. Grants are available only if the contractor refuses or is unable to honor the warranty and only covers defects within 18 months of completion of the home. This program obligated \$77,000 in FY 2010.

#### Section 533 Housing Preservation Grant Program:

The Housing Preservation Grant program strives to improve the quality of existing multi-family housing and some single family housing units through partnerships with various local public bodies and non-profit organizations. MFH Preservation grants improved the housing quality of more than 2,400 families in FY 2010. During that year, this program made available more than \$10 million to non-profit organizations and public bodies to be used to repair properties.

The Housing Preservation Grant program is administered through a public notice process, in which non-profit and public bodies are invited to apply for grants to repair Single Family and Multi-Family housing units that are below housing standards. This program has attracted approximately \$3 of private and public funds for each \$1 of RD housing preservation grants. This program obligated \$10.4 million in 2010.

## **Community Facilities Program**

### Current Activities:

Emphasis on financing critical access hospitals resulted in more than \$1 billion in Community Facility (CF) financing going to 217 such facilities from FY 2001 through FY 2010. Several of these facilities received nation-wide recognition as successful models that other rural communities can follow. Program staffs have developed expertise and working relationships with lenders and other health care financing experts, enabling them to provide guidance to smaller rural communities lacking expertise in this complex area.

In FY 2010, the Rural Development CF program put special emphasis on financing rural libraries. Through this effort, 257 rural communities were able to build new or improved libraries or add vital equipment, such as computers with internet access. Rural Development provided over \$47 million in direct and guaranteed loans and \$23 million in grants through the annual appropriations and the American Recovery and Reinvestment Act funding for libraries in fiscal year 2010. The \$70 million provided for library construction, expansion, and renovation will serve more than 2.6 million rural residents.

### Community Facilities Loans and Grants:

The Community Facilities program was established in 1974 by the Consolidated Farm and Rural Development Act. Historically, the largest portion of CF funds goes toward health care projects but the largest number of loans or grants serves the area of fire, rescue, and public safety. In FY 2010, more than \$262 million was invested in 156 health care facilities. During the same period, 554 communities received more than \$84 million to finance fire, rescue, and public safety facilities and equipment benefitting more than 2.8 million rural residents.

In FY 2010, there were \$922.3 million in CF "regular" loan and grant funds obligated and \$1.2 billion in CF ARRA direct loan and grant funds obligated. This is a total of more than \$2.1 billion in loan and grant funds obligated in FY 2010 for the CF program.

## RURAL DEVELOPMENT HOUSING PROGRAMS

### Summary of Budget and Performance Statement of Goals and Objectives

#### Rural Housing Programs

**Mission:** Rural Development Housing Programs provide affordable housing to rural communities. This helps communities create wealth as rural families of all income levels are provided with an opportunity to enjoy the advantages of homeownership or access to affordable rental housing. This includes a place-based investment in rural hometowns which grows as owner equity increases and fills an important need for the entire community to thrive. For FY 2012, Rural Development has focused funding in the programs that most effectively provide access to homeownership or affordable rental housing opportunities.

#### Multi-Family Housing:

In order to meet the agency strategic goal of improving the quality of life in rural America, the multi-family housing program is focusing on providing new rental opportunities for the rural tenant population, tenant protection, and revitalization of an aging housing portfolio. A voucher program is provided to protect tenants threatened with displacement from properties exiting the program. We expect to maximize new rental housing construction opportunities under the Section 515 direct loan program. The requested rental assistance at \$907 million is sufficient to accommodate the expected 204,503 rental assistance contracts that will need renewal funding in FY 2012.

The traditional way to fund revitalization has been through the multi-family housing direct loan program. While the FY 2012 budget proposes to terminate funding for the multi-family housing revitalization demonstration program, it proposes to increase the multi-family housing direct loan program from \$56 million to \$95 million ensuring that more affordable rental housing opportunities are created for the very-low income tenant base in rural America. This program can be used for repair and rehabilitation as well as new construction.

#### Single Family Housing:

Since financing the first farm home in 1950, USDA's single family housing programs have assisted over 2.8 million rural families with the housing portfolio as of the end of FY 2010 at \$81 billion in loans and loan guarantees for home purchase and repair. These programs provide the only means for many low- and moderate-income rural residents to become successful homeowners.

To meet USDA's strategic goal "Rural communities create prosperity so that they are self-sustaining, repopulating and thriving economically," the single family housing programs focus on successful homeownership through quality loan underwriting and prudent loan servicing. The request for the Single Family Housing Guaranteed Loan program is \$24 billion in program level. Because of a fee structure, this program requires no budget authority. The FY 2012 budget also provides funding for the Single Family Housing Direct Loan program at \$211 million. For FY 2012, this will allow USDA to offer thousands of rural families an opportunity at homeownership.

The key goals discussed below measure the agency's success in achieving successful homeownership. RD's housing programs have one strategic goal and one strategic objective that contribute to the Department's Priority Goal.

These funds provided for the housing programs are expected to be used with various Administration initiatives. In order to manage budget priorities, it is necessary to restrict the direct loan program to residents with very low incomes who simply cannot afford to turn to the private sector for

financing even with a guarantee. The funding provide for guaranteed loans will support USDA's efforts to coordinate with the National Education Association to attract and retain beginning teachers in rural areas.

USDA Strategic Goal/Objective	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
USDA Priority Goal: Assist rural communities to create prosperity so that they are self-sustaining, repopulating and economically thriving.	Agency Goal 2: Improve the quality of life in Rural America	Objective 2.1: Provide decent, safe and affordable housing	Sec. 502 Direct Single Family Housing Sec. 502 Guaranteed Single Family Housing Purchase and Refinance Sec. 515 Direct Multi-Family Housing Loans Sec. 521 Rental Assistance Program Grants Sec. 514 Farm Labor Housing Loans Sec. 516 Domestic Farm Labor Housing Grants Sec. 504 Housing Repair Grants Sec. 542 Multi-Family Housing Voucher Program	<u>Key Outcomes:</u> Decent, safe and affordable housing

**Key Outcome:** The single family housing programs support the Secretary's Priority Goal. This goal is "Rural communities create wealth so they are self-sustaining, repopulating and thriving economically." Performance measures related to the single family housing programs include targets for the number of Section 502 loans financed.

**Key Outcome Measure:**

**Single Family Housing**

**Long-term Performance Measures:**

Measure 1: Number of homeownership opportunities created measured in terms of the number of loans made.

	502 Guaranteed	502 Direct
Baseline Year: 2003	31,751	12,651
2004 Actual	34,251	14,641
2005 Actual	31,480	12,315
2006 Actual	29,476	11,461
2007 Actual	32,481	10,675
2008 Actual	62,320	9,829
2009 Actual	46,478	9,479
2010 Actual	119,230	8,505
2011 Target	180,818	5,197
2012 Target	172,208	1,609
2013 Target	172,000	1,600
2014 Target	172,000	1,600
2015 Target	172,000	1,600

Explanation: This is an output measure for the number of home loans to be funded with program funds. This measure is dependent on program levels and housing costs. This is a significant measure because it shows the raw level of assistance the program is providing on an annual basis. Of special note is that the totals for 502 Direct are misleading. In actuality the number of homeownership opportunities increased significantly in 2009 and 2010 but they are not included in these figures since they are related to the American Recovery and Reinvestment Act funds. Total 502 Direct homeownership opportunities were closer to the 2005 figure. This figure allows the government to say how many households we are assisting with this program. That has historically been what the stakeholders were interested in when inquiring about the annual funding level. A higher loan level results in a higher number of households assisted.

Measure 2: The number of basis points in the single family housing guaranteed loan program should not exceed the foreclosure rate of FHA's loan portfolio's foreclosure rate by more than certain thresholds.

	502 Guaranteed	502 Direct
Baseline		
Year: 2003	(-75)	108
2004 Actual	(-57)	98
2005 Actual	(-95)	99
2006 Actual	(-97)	85
2007 Actual	(-86)	109
2008 Actual	(-94)	111
2009 Actual	(-1.6)	78
2010 Actual	(-.97)	42
2011 Target	25	300
2012 Target	25	300
2013 Target	25	300
2014 Target	25	300
2015 Target	25	300

This measure compares default rates for section 502 direct and guaranteed loan program borrowers to that of the Federal Housing Administration (FHA) loans. The overall section 502 direct and guaranteed loan portfolio should compare favorably to FHA rates.

Selected Past Accomplishments Toward Achievement of the Key Outcome:

Guaranteed Loan Program:

Through automation initiatives, it is getting faster and cheaper for rural Americans to purchase their homes. In FY 2007, the agency began rolling out an automated guaranteed underwriting system (GUS). GUS enables participating private-sector lenders to make loans faster and less expensive, results in better quality loans and more consistent program delivery. It fulfills legal requirements under the Freedom to E-File Act and the Government Paperwork Elimination Act.

We continue to encourage mortgage loan servicers to use a wide range of loss mitigation techniques. We have made additional servicing tools available for lenders during FY 2010. Greater emphasis on loss mitigation results in fewer foreclosures, fewer loss claims, and increased successful homeownership by borrowers who otherwise would have lost their homes. Loss mitigation techniques include special forbearance, loan modifications, and when possible, pre-foreclosure sales and the acceptance of deeds in lieu of foreclosures.

Direct Loan Program:

Both the SFH Guaranteed loan program and the SFH Direct loan program delinquency rates outperformed the Federal Housing Authority (FHA) product throughout FY 2010. Rural Development helped to mitigate

the greatest economic crisis of the past sixty years through aggressive, yet socially sensitive, implemented techniques to minimize the number of adversely impacted borrowers displaced by foreclosure such as an 11.4 percent increase in the number of accounts receiving a delinquency workout agreement or repayment plan and a 7 percent increase in the number of accounts receiving a moratorium on payments.

Selected Accomplishments Expected at the FY 2012 Proposed Resource Level:

USDA will responsibly manage its SFH direct and guaranteed loan portfolio with a goal of keeping its loan delinquency rate within certain thresholds of the FHA delinquency rate for FY 2012.

	502 Guaranteed	502 Direct
2004 Actual	-345	.52
2005 Actual	-212	.66
2006 Actual	-309	12.3
2007 Actual	-164	75
2008 Actual	-211	-71
2009 Actual	-241	-83
2010 Actual	-292	-66
2011 Target	50	150
2012 Target	50	150
2013 Target	50	150
2014 Target	50	150
2015 Target	50	150

Guaranteed Loan Program: The goal in FY 2012 is to provide approximately 172,208 homeownership opportunities for low- and moderate-income rural families. This projection is based upon the level of homeownership opportunities that were achieved with funding from both the annual appropriations and through the American Recovery and Reinvestment Act during FY 2010.

We intend to responsibly manage the guaranteed loan portfolio with a goal of keeping its loan delinquency rate within 50 basis points of the FHA delinquency rate in FY 2012. FHA loans, like guaranteed loans, are serviced by the private sector. Even though guaranteed loans are “means tested,” the guaranteed loan portfolio has performed better than FHA over the past several years.

More lenders are doing business in rural America and more are looking to Rural Development for financing those with limited income and funds available. Further changes made to the guaranteed underwriting system (GUS) in FY 2010 and FY 2011 will increase its effectiveness and increase its “user friendliness” to lenders. An improved GUS will enable participating private-sector lenders to make loans faster and less expensively, will result in better quality loans and more consistent program delivery, and will fulfill legal requirements under the Freedom to E-File Act and the Government Paperwork Elimination Act.

Efficiency Measure

For the Guaranteed program, the efficiency measure is “The Workout to Real Estate Owned (REO) Ratio,” as defined as follows: The sum of Approved loss mitigation workouts (Special Forbearances, Loan Modifications, Pre-foreclosure Sales and Deeds-in-Lieu) divided by the sum of (Approved Workouts + REO) minus Deeds-in-Lieu. \*Deeds-in-Lieu are weighted at half (50 percent) of a fully weighted workout in the numerator of the Workout to REO Ratio since Deed-in-Lieu results in an REO. Even though the Deed-in-Lieu is a favorable loss mitigation result that reduces loan losses, it should not receive equal credit of workout that results in a loan reinstating or a property that is liquidated prior to a foreclosure sale.

The Workout to REO Ratio measures the level of effectiveness in preventing defaulted loans from going on to foreclosure. Effective loss mitigation will reduce the number of loans that become seriously delinquent

thus reducing the amount of loans that could result in foreclosure and subsequent loss claim payment. The higher the Workout to REO Ratio, the more favorable the result and is recognized by the mortgage industry as a true measurement of loss mitigation performance.

Year:	Workout : REO ratio
2006 Actual	38.28%
2007 Actual	43.24%
2008 Actual	54.59%
2009 Actual	53.82%
2010 Actual	62.18%
2011 Target	60%
2012 Target	60%
2013 Target	60%
2014 Target	60%
2015 Target	60%

### **Multi-Family Housing**

**Long-term Performance Measure:** The strategy to achieve the long-range goal of creating wealth in rural communities through thriving affordable multi-family housing (MFH) properties and the provision of decent, safe and sanitary housing for rural residents begins with multi-family programs' effort to revitalize its housing portfolio. Methods of achieving this objective include identification of the core properties in the portfolio that have the best chance for continued economic health and as a target for use of limited financial resources. Once identified, those properties that have the best chance for continued economic health are addressed using the 515 direct loan program.

**Measure:** Increase the percentage of A and B properties in the portfolio by one percentage point each year. **Note:** Rural Development uses an alphabetical four-tier classification system – A is highest; D is lowest – that categorizes properties according to physical condition, loan status and the number of outstanding or unaddressed corrective actions. As a part of its efforts to better analyze the loan portfolio, Rural Development instituted an automated program that re-categorized properties based on outstanding compliance issues. This re-categorization resulted in a shift in classification proportions: A and B properties at the beginning of FY 2007 constituted 60 percent of the portfolio.

During FY 2009 and FY 2010, multi-family housing programs aggressively serviced loans that had not been actively serviced for several years. This resulted in an increased number of properties now appropriately classified in the C and D categories. Consequently, FY 2010 shows a significant decrease in the percentage of properties classified in the higher categories. The target remains at one percent more of properties per year into the higher A and B categories as a result of improved oversight, aggressive action against owners, and implementation of the multi-family portfolio revitalization program.

Baseline	
Year: 2002	82 %
2008 Actual	61 %
2009 Actual	62%
2010 Actual	55%
2011 Target	64%
2012 Target	65%
2013 Target	66%
2014 Target	67%
2015 Target	68%

Measure: Attract private capital (leverage) to preserve existing affordable housing and to build new, safe decent, sanitary, and affordable housing. The Section 515 program attracts additional public and private funds. The farm labor housing programs provided approximately \$3 of external funding for each \$1 of Federal funding. The goal for all programs is to increase the leverage amount by 30 percent each year.

Selected Past Accomplishments Toward Achievement of the Key Outcome:

MFH program has established an Electronic Data Interchange facilitating electronic reporting and a dynamic mapping facility to determine program-eligible areas. Ongoing efforts include the development of automated systems to facilitate underwriting, guarantee fee collection and improve loss claim processing. These systems are based on those already in use by Rural Development's private partners.

Rural Development's loan account and asset management servicing group has an ongoing effort to train newly-transferred RD staff that may be unfamiliar with multi-family program requirements. These regional "basic servicing training" efforts, sponsored by several States, enable new and experienced staff to exchange ideas and information and learn or re-acquaint themselves with program fundamentals. MFH national office staff sees this effort continuing through the new fiscal year as RD priorities require staffing changes. MFH has also integrated strengthened internal controls in its servicing oversight and monitoring through improved guidance issued to borrowers and management agents. Improper payment error rates have been reduced significantly and staff continues to work with industry groups to ensure a consistent trend. This monitoring continues annually to ensure the payment error rate is well within the range established in the Improper Payment and Information Act.

Selected Accomplishments Expected at the FY 2012 Proposed Resource Level:

In FY 2012, multi-family housing is expecting to finance 8,300 units using Section 515 Direct Rural Rental Housing Loans with over \$95 million in program funds.

Multi-family housing programs expects to renew 204,503 rental assistance contracts in FY 2012. Rental assistance contracts are on a one-year contract term and the program continues to monitor the performance of these contracts for early renewal. Rental assistance units in the multifamily housing portfolio allow RD housing programs to continue to provide affordable housing to the very-low income residents of Section 515 and Section 514 rural rental housing.

Efficiency Measure:

The amount of 3<sup>rd</sup> party financing in RD financed properties is a measure of efficiency. This 3<sup>rd</sup> party financing, or leverage, enables Rural Development's program level of funds to reach more families who need affordable housing. The measure was significantly impacted by the proposed elimination of Section 538 Guaranteed Multi-Family Housing Loan Program. This will reduce the available agency funds by over \$15 million, giving USDA fewer opportunities to leverage private sector funds.

Baseline Year: 2002	\$161,805,674
2007 Target	\$441,354,259
2008 Target	\$635,385,954
2009 Target	\$500,301,337
2010 Target	\$690,721,366
2011 Target	\$256,000,000
2012 Target	\$221,000,000
2013 Target	\$221,000,000
2014 Target	\$221,000,000
2015 Target	\$221,000,000

Key Outcome:

The only multi-family housing program that appears in the USDA Performance and Accountability Report is the Section 521 Rental Assistance Program (RA). RA is the subject of annual improper payment audits to ensure that the appropriate subsidy is being paid on behalf of low- and very-low income tenants in Section 514 and Section 515 multi-family properties. The ultimate target rate for reduction of improper payments is an error rate under 2.5 percent of program outlays. In FY 2009, the RA program reported a rate of 2.06 percent, a reduction from the prior year. In FY 2010, the RA program reported a rate of 1.39 percent. Program audits review documentation collected and used by private property managers to support subsidy requests. In recent years, the Program has undertaken aggressive efforts to educate the property management industry and program borrowers to ensure appropriate and complete documentation. Despite having an error rate below the targeted minimum, the program continues to closely monitor the performance of these private property managers, and annual audits will continue indefinitely.

**Community Facilities Programs**

Community Facilities: Hospitals, schools, public safety buildings and facilities, child and elder care facilities, community centers, town halls, libraries, and many other social and community services that directly enhance the quality of life of rural residents. In an increasingly knowledge-based economy in which both individuals and businesses have unprecedented mobility, the availability of quality community services is often a threshold condition for consideration in site location decisions. Program funding is primarily used to improve or replace community facilities that are functionally obsolete. Grant funding is essential to provide some portion of equipment and facilities that exceed an essential community facilities repayment capacity.

Rural Development community programs have one strategic goal and one strategic objective that contribute to the Department's Strategic Goal:

<b>USDA Priority Goal</b>	<b>Agency Strategic Goal</b>	<b>Agency Objectives</b>	<b>Programs that Contribute</b>	<b>Key Outcome</b>
<b>USDA Priority Goal:</b> Rural communities create prosperity so that they are self-sustaining, repopulating and economically thriving	<b>Agency Goal 2:</b> Improve the quality of life in Rural America	<b>Objective 2.2:</b> Develop community infrastructure	<u>Rural Community Programs</u> Community Facility Direct Loans Community Facility Grants	<u>RD Key Outcome 2:</u> Develop community infrastructure

Key Outcome: Develop community infrastructure

By assisting communities in developing essential community facilities, RD is directly supporting the Secretary's priorities. As communities become able to provide their residents with such vital amenities as health care, quality education, child care, libraries, and etc., the area becomes more attractive to business and industry. It becomes more stable and, over time, more economically sustainable.

RD will continue to market its programs, to insure that officials and leaders in rural America are aware of the financial assistance RD can provide. We will continue to monitor our lending practices and underwriting standards to ensure that we are making quality investments.

Community Facilities Measures:

1. Number of rural residents served by new or improved essential community facilities.
2. Funds dedicated to the renovation and construction of child care and public school facilities.
3. Percentage of projects with completed environmental reviews prior to loan and grant obligation.

Year	Number of Rural Residents Served	Funds Obligated for Child Care and Public School Facilities	Percentage of Projects with Completed Environmental Reviews Prior to Obligation
2010 Actual	10,959,009	\$63.3 million	100%
2011 Target	5,687,725	\$32.9 million	100%
2012 Target	6,367,184	\$36.8 million	100%
2013 Target	6,400,000	\$37.0 million	100%
2014 Target	6,400,000	\$37.0 million	100%
2015 Target	6,400,000	\$37.0 million	100%

Long-term Performance Measures: The original annual measures were (1) to increase the percentage of the rural population with improved health care services by 5.5 percent by 2010; and (2) to increase the percentage of the rural population with improved public safety services by 3 percent by 2010. These goals were met (and exceeded, in the case of public safety services) by FY 2009. Beginning in FY 2010 and continuing until FY 2015, the goal for health care will be to increase the percentage of the rural population served from 5.4 percent to 6.3 percent, while the goals for public safety facilities will be to increase the percentage of the rural population with new or improved public safety services from 5.0 to 5.9 percent.

Selected Past Accomplishments Toward Achievement of the Key Outcome:

In FY 2009, community facilities continued to make significant progress in assisting rural communities in financing critical access hospitals, which constitute one of the most critically vital services a community can provide. As these hospitals have become increasingly complex and expensive, rural communities face new challenges in obtaining affordable financing. A total of 27 hospitals and 10 outpatient facilities were funded in FY 2010 for a total investment of \$262.8 million in health care facilities. Increased numbers of requests for financing of critical access hospitals are expected in the coming years. In the past, the community facilities program has successfully provided large numbers of rural communities with health care facilities, fire and rescue equipment, and educational facilities, as well as a wide variety of other services.

Providing rural residents with an opportunity to enhance their educational background will help meet the agency strategic goal of improving the quality of life in rural America. In FY 2010, USDA provided funds to construct, renovate, or improve 31 elementary and high schools and 18 libraries. During FY 2010, USDA's total investment in educational and cultural facilities was over \$135 million. In FY 2010, USDA provided funds to construct, renovate, or improve over 1,349 essential community facilities. Rural Americans had new or improved services available from approximately 156 health care facilities, 689 public safety facilities, 180 educational facilities, 211 public buildings and improvements, and a number of other essential community facilities. More than 14 million rural residents had new or improved services available to them through these facilities.

Selected Accomplishments Expected at the FY 2012 Proposed Resource Level:

Retaining or attracting population, providing basic infrastructure, improving the quality of life, and increasing asset values are economic strategies used by government to assist rural economies. Given the funding level proposed for FY 2012, we expect to continue our steady progress in helping rural communities meet the most basic needs of their residents. This program is instrumental in carrying out regional economic strategies and improving access to healthy foods.

Efficiency Measures:

The Community Facilities program's efficiency measure is the annual loan loss ratio for the direct loan program. This is calculated by the annual amount of losses in the direct loan program divided by the outstanding loan portfolio balance as of September 30. We anticipate that the annual loan loss ratio for the direct loan program will be maintained at .002 during FY 2012 through 2015.

## RURAL DEVELOPMENT HOUSING PROGRAMS

### Summary of Budget and Performance Key Performance Outcomes and Measures

**Goal: Assist rural communities to create prosperity so that they are self-sustaining, repopulating, and economically thriving.**

Key Outcome: Decent, safe and affordable housing.

Key Performance Measures:

- Measure #1: Home Loans
- Measure #2: Units selected for construction or rehabilitation

Performance Measure	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Target	2012 Target
Performance Measure #1 Home Purchase loans						
<b>Section 502 guaranteed loans</b>						
a. Units*	32,481	56,745	46,784	119,230	180,818	172,208
b. Dollars (billions)	\$3.3	\$6.2	\$5.7	\$15.069	\$24.0	\$24.0
Performance Measure #1 Home loans – initial & subsequent						
<b>Section 502 direct loans</b>						
a. Units	11,461	10,675	9,829	8,505	5,197	1,609
b. Dollars (billions)	\$1.1	\$1.1	\$1.1	\$1.0	\$.65	\$.211

*\*Units reported for sec. 502 direct loans are now "Loans." This includes all initial and subsequent obligations. Since FY 2007, the portion of funding for subsequent loans has totaled 1.0% or less each year. This change simplifies tracking and clarifies reports. A significant number of sec. 502 guaranteed and direct loans were made in FY 2007-08 with supplemental Hurricane funding. These are not included above.*

<b>Performance Measure</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Target</b>	<b>2012 Target</b>
Performance Measure #2 Units selected for construction or rehabilitation						
<b>Section 515 direct rental housing</b>						
a. Units	6,166	5,977	5,781	7,250	5,857	8,300
b. Dollars (thousands)	\$98,925	\$131,714	\$67,738	\$68,130	\$56,137	\$95,236
Performance Measure #2 Contracts to be renewed						
<b>Section 521 rental Assistance **</b>						
a. Units	89,387	120,449	202,525	219,148	215,086	204,503
b. Dollars (thousands)	\$615,770	\$478,715	\$902,222	\$978,930	\$980,000	\$906,553

\*\* Rental Assistance renewal contracts in FY 2007 were for one- or two-year periods. Renewal contracts in FY 2008 were for a one year period. Projected figures reflect one-year contracts. Units shown in FY 2008 forward are only for renewals and do not include RA allocated for new construction or the preservation incentive program. Dollars in FY 2008 forward reflect total amounts used for all categories of Rental Assistance, not just renewals.

<b>Performance Measure</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Target</b>	<b>2012 Target</b>
Performance Measure #2 Units selected for construction or rehabilitation						
<b>Section 514/516 direct farm labor housing loans &amp; grants</b>						
a. Units	1,285	2,599	1,905	510	1,900	1,900
b. Dollars (thousands)	\$50,122	\$42,005	\$49,485	\$25,091	\$35,597	\$37,161

### Community Facilities Program

#### Key Performance Measures:

- Measure #1: Percentage of rural population with new or improved health care services
- Measure #2: Percentage of rural population with new or improved public safety services
- Measure #3: Percentage of rural population with new or improved educational facilities

#### Key Performance Targets:

Performance Measure	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Target	2012 Target
<b>Community Facilities Program</b>						
Performance Measures #1, 2, 3						
Percentage of rural population with new or improved :						
a. Health Care	5.2	5.3	5.4	3.2	3.2	5.4
Public Safety	2.7	2.8	5.0	3.2	3.2	5.0
Educational facilities	N/A	N/A	3.5	3.8	3.0	3.5
b. Program Dollars (in millions)	\$755	\$672	\$639.3	\$948.426	\$502.776	\$1,038.4

<b>HOUSING AND COMMUNITY FACILITIES PROGRAMS</b>				
<b>Full Cost by Department Strategic Goal</b>				
<b>Strategic Goal: Assist Rural Communities to Create Prosperity so They Are Self-Sustaining, Repopulating and Economically Thriving.</b>				
<b>PROGRAM</b>	<b>PROGRAM ITEMS</b>	<b>2010 AMOUNT (\$000)</b>	<b>2011 AMOUNT (\$000)</b>	<b>2012 AMOUNT (\$000)</b>
<b>Direct Single Family Housing Loans (Section 502)</b>				
	Program Level	\$1,013,623	\$650,319	\$211,416
	Budget Authority	36,795	40,710	10,000
	Administrative Costs (Direct)	21,714	21,714	24,101
	Administrative Costs (Indirect)	55,835	55,835	46,785
	Total Costs	114,344	118,259	80,886
	FTEs	664	664	628
	Performance measure:			
	home loans			
	Target:	8,505	5,197	1,609
	Cost per Measure (unit cost)	13.44	22.76	50.27
<b>Guaranteed Single Family Housing Purchase and Refinance Loans (Section 502)</b>				
	Program Level	\$15,068,673	\$24,000,000	\$24,000,000
	Budget Authority	181,305	0	0
	Administrative Costs (Direct)	30,087	30,087	33,396
	Administrative Costs (Indirect)	77,365	77,365	64,826
	Total Costs	288,757	107,452	98,222
	FTEs	920	920	870
	Performance measure:			
	home purchase loans			
	Target:	119,230	180,818	172,103
	Cost per Measure (unit cost)	2.42	0.59	0.57
<b>Direct Rural Rental Housing Loans (Section 515)</b>				
	Program Level	\$68,130	\$56,137	\$95,236
	Budget Authority	18,559	18,935	32,494
	Administrative Costs (Direct)	27,446	27,446	30,464
	Administrative Costs (Indirect)	70,576	70,576	59,136
	Total Costs	116,581	116,957	122,094
	FTEs	840	840	794
	Performance measure: units			
	selected for new const. or rehab.			
	Target:	7,250	5,857	8,300
	Cost per Measure (unit cost)	16.08	19.97	14.71
<b>Guaranteed Multi-Family Housing (Section 538)</b>				
	Program Level	\$129,130	\$15,325	0
	Budget Authority	1,485	1,485	0
	Administrative Costs (Direct)	8,088	8,088	\$8,977
	Administrative Costs (Indirect)	20,798	20,798	17,427
	Total Costs	30,371	30,371	26,404
	FTEs	247	247	234
	Performance measure: units			
	selected for new const. or rehab.			
	Target:	4,909	571	0
	Cost per Measure (unit cost)	6.19	53.19	0

PROGRAM	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Housing Repair Loans (Section 504)</b>				
	Program Level	\$25,961	\$23,360	0
	Budget Authority	3,336	4,422	0
	Administrative Costs (Direct)	2,956	2,956	\$3,281
	Administrative Costs (Indirect)	7,601	7,601	6,369
	Total Costs	13,893	14,979	9,650
	FTEs	90	90	85
	Performance measure: # of families assisted			
	Target:	4,598	4,056	0
	Cost per Measure (unit cost)	3.02	3.69	0
<b>Single and Multi-Family Housing Credit Sales (Non-Program)</b>				
	Program Level	\$2,214	\$11,449	\$0
	Budget Authority	426	556	0
	Administrative Costs (Direct)	765	765	849
	Administrative Costs (Indirect)	1,968	1,968	1,649
	Total Costs	3,159	3,289	2,498
	FTEs	23	23	22
	Performance measure:			
	Target:	89	225	0
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Rental Assistance Program (Section 521/502)</b>				
	Program Level	\$978,930	\$980,000	\$906,653
	Budget Authority	978,930	980,000	906,653
	Administrative Costs (Direct)	6,407	6,407	7,112
	Administrative Costs (Indirect)	16,476	16,476	13,805
	Total Costs	1,001,813	1,002,883	927,570
	FTEs	196	196	185
	Performance measure: Families assisted with new/renewed Sec. 521 RA contracts			
	Target:	219,148	215,086	204,503
	Cost per Measure (unit cost)	4.57	4.66	4.54
<b>Farm Labor Housing Loans and Grants (Section 514/516) and Domestic Farm Labor Housing Grants</b>				
	Program Level	\$25,091	\$35,597	\$37,161
	Budget Authority	15,373	19,746	19,192
	Administrative Costs (Direct)	8,358	8,358	9,277
	Administrative Costs (Indirect)	21,492	21,492	18,009
	Total Costs	45,223	49,596	46,478
	FTEs	256	256	242
	Performance measure: units selected for financing or new construction			
	Target:	510	1,900	1,900
	Cost per Measure (unit cost)	88.67	26.10	24.46
<b>Rural Housing Voucher Program</b>				
	Program Level	\$10,709	\$16,400	\$16,000
	Budget Authority	10,709	16,400	16,000
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	10,709	16,400	16,000
	FTEs	0	0	0
	Performance measure:			
	Tenants Protected			
	Target:	2,245	4,952	4,737
	Cost per Measure (unit cost)	4.77	3.31	3.38

PROGRAM	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Multifamily Housing Revitalization Program (MHRP): MHRP Modifications, MHRP Zero Percent Loans, MHRP Soft Second Loans, MHRP Grants, (Sec 515) and MHRP Preservation Demo Revolving Loan Fund</b>				
	Program Level	\$26,597	\$46,557	\$0
	Budget Authority	27,222	26,791	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	27,222	26,791	0
	FTEs	0	0	0
	Performance measure: units selected for new const. or rehab.			
	Target:	4,310	3,600	0
	Cost per Measure (unit cost)	6.32	7.44	0
<b>Mutual Self-Help Grants (Section 523)</b>				
	Program Level	\$42,686	\$41,864	\$0
	Budget Authority	42,686	41,864	0
	Administrative Costs (Direct)	495	495	550
	Administrative Costs (Indirect)	1,273	1,273	1,067
	Total Costs	44,454	43,632	1,617
	FTEs	15	15	14
	Performance measure: # of families who build their own homes			
	Target:	1,243	1,250	0
	Cost per Measure (unit cost)	35.76	34.91	0
<b>Housing Assistance Grants</b>				
	Program Level	\$43,288	\$45,500	\$11,520
	Budget Authority	43,288	45,500	11,520
	Administrative Costs (Direct)	10,144	10,144	11,259
	Administrative Costs (Indirect)	26,084	26,084	21,856
	Total Costs	79,516	81,728	44,635
	FTEs	310	310	293
	Performance measure:			
	Target:	8,046	7,629	1,973
	Cost per Measure (unit cost)	9.88	10.71	22.62
<b>Rural Community Programs - Direct Community Facilities Loans, Guaranteed Community Facility Loans, Community Facility Grants, Rural Community Development Initiative Grants</b>				
	Program Level	\$948,423	\$502,776	\$1,038,400
	Budget Authority	69,455	54,993	38,400
	Administrative Costs (Direct)	33,598	33,598	37,293
	Administrative Costs (Indirect)	86,395	86,395	72,391
	Total Costs	189,448	174,986	148,084
	FTEs	1,028	1,028	973
	Performance measure: Percent of rural population with new or improved public safety services			
	Target:	3.2	5.0	5.0
	Cost per Measure (unit cost)	59,202.50	34,997.20	29,616.80

PROGRAM	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Direct Community Facility - 2005 Hurricanes Emergency Supplemental, Direct Community Facility - May 6, 2007 Disaster Emergency Supplemental, Direct Community Facility - 2008 Disasters Emer. Supp., Guaranteed Community Facility - 2005 Hurricanes Emer. Supp., Guaranteed Community Facility - 2008 Disasters Emer. Supp., Community Facility Grants - 2003/2004 Hurricanes Emer. Supp., Community Facility Grants - 2005 Hurricanes Emer. Supp., Community Facility Grants - May 6, 2007 Disaster Emer. Supp., Community Facility Grants - 2008 Disasters Emer. Suppl.</b>				
	Program Level	\$92,425	\$0	\$0
	Budget Authority	16,496	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	16,496	0	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Guaranteed Single Family Housing Purchase 2005 Hurricanes Emergency Supplemental, Guaranteed Single Family Housing Purchas/Refinance Modifications 2005 Hurricanes Emergency Supplemental, Single Family Housing Purchas May 6, 2007 Disaster Emergency Supplemental (Section 502)</b>				
	Program Level	\$474,300	\$0	\$0
	Budget Authority	6,830	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	6,830	0	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Guaranteed Multi-Family Housing Loans May 6, 2007 Disaster Emergency Supplemental and Guaranteed Multi-Family Housing Loans 2008 Disaster Emergency Supplemental (Section 538)</b>				
	Program Level	\$577	\$0	\$0
	Budget Authority	111	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	111	0	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Housing Repair Loans Emergency Supplemental, Housing Repair Loans 2003/2004 Hurricanes Emergency Supplemental, Housing Repair Loans 2005 Hurricanes Emergency Supplemental, and Housing Repair Loans May 6, 2007 Disaster Emergency Supplemental (Section 504)</b>				
	Program Level	\$194	\$0	\$0
	Budget Authority	25	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	25	0	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A

PROGRAM	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Rural Rental Housing Loans, May 6, 2007, Disaster Emergency Supplemental, Rural Housing Voucher Program 2008 Disasters Emer. Suppl, MFH Revitalization Modification 2008 Disaster Emer. Suppl., MFH Revitalization Zero Percent Loans 2008 Disasters Suppl., MFH Revitalization Soft Second Loans 2008 Disaster Emer. Suppl., MFH Revitalization Grants Disasters Emer Suppl., (Section 515)</b>				
	Program Level	\$3,081	\$0	\$0
	Budget Authority	2,245	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	2,245	0	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Housing Repair Grants Emergency Supplemental, Housing Repair Grants 2003/2004 Hurricanes Emergency Supplemental, Housing Repair Grants 2005 Hurricanes Emergency Supplemental, Housing Repair Grants May 6, 2007 Disaster Emergency Supplemental (Section 504)</b>				
	Program Level	\$3,364	\$0	\$0
	Budget Authority	3,364	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	3,364	0	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Direct Community Facility Loans - Stimulus, Community Facility Grants - Stimulus</b>				
	Program Level	\$1,168,960	\$0	\$0
	Budget Authority	84,832	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	84,832	0	0
	FTEs	0	0	0
	Performance measure:			
	% of pop w/ new or improved services			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Direct Single Family Housing Loans - Stimulus (Section 502)</b>				
	Program Level	\$1,131,244	\$0	\$0
	Budget Authority	41,064	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	41,064	0	0
	FTEs	0	0	0
	Performance measure:			
	home loans			
	Target:	9,135	0	0
	Cost per Measure (unit cost)	4.50	0	0

PROGRAM	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Guaranteed Single Family Housing Purchase Non-Subsidized - Stimulus; Guaranteed Single Family Housing Refinance Non-Subsidized - Stimulus (Section 502)</b>				
	Program Level	\$1,220,771	\$0	\$0
	Budget Authority	17,782	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	17,782	0	0
	FTEs	0	0	0
	Performance measure:			
	home purchase loans			
	Target: 5/	8,395	0	0
	Cost per Measure (unit cost)	2.12	0	0
<b>Total for Secretary's Priorities</b>				
	Program Level	\$22,478,371	\$26,425,284	\$26,316,386
	Budget Authority	1,602,318	1,251,402	1,034,259
	Administrative Costs (Direct)	150,058	150,058	166,559
	Administrative Costs (Indirect)	385,863	385,863	323,320
	Total Costs	2,138,239	1,787,323	1,524,138
	FTEs	4,589	4,589	4,340
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A

\* S&E and FTE figures for each program are based on calculations and a best estimate of the personnel involved. Actual staff time by program is not available at this time.

\*\* FY 10 data based on Appropriation.

Totals may not balance due to rounding.