

2026 USDA EXPLANATORY NOTES - RURAL HOUSING SERVICE

Table of Contents

Preface	3
Agency-Wide.....	3
Purpose Statement.....	3
OIG and GAO Reports.....	5
Available Funds and FTEs	7
Account 1: Rural Housing Insurance Fund	9
Appropriations Language.....	9
Lead-Off Tabular Statement	9
Project Statements.....	10
Justification of Changes.....	12
Geographic Breakdown of Obligations	20
Classification by Objects.....	28
Account 2: Rental Assistance Program.....	29
Appropriations Language.....	29
Lead-Off Tabular Statement	29
Project Statements.....	30
Justification of Changes.....	31
Geographic Breakdown of Obligations	32
Classification by Objects.....	33
Account 3: Rural Voucher Program.....	35
Lead-Off Tabular Statement	35
Project Statements.....	35
Justification of Changes.....	36
Geographic Breakdown of Obligations	36
Classification by Objects.....	37
Account 4: Mutual and Self-Help Housing Grants	39
Lead-Off Tabular Statement	39
Project Statements.....	39
Justification of Changes.....	40
Geographic Breakdown of Obligations	40
Classification by Objects.....	41
Account 5: Rural Housing Assistance Grants.....	43
Appropriations Language.....	43
Lead-Off Tabular Statement	43
Project Statements.....	43

Justification of Changes	45
Geographic Breakdown of Obligations	46
Classification by Objects.....	49
Account 6: Rural Community Facilities Program	51
Appropriations Language.....	51
Lead-Off Tabular Statement	51
Project Statements.....	52
Justification of Changes	55
Geographic Breakdown of Obligations and FTEs	57
Classification by Objects.....	67
Status of Programs.....	69

PREFACE

This publication summarizes the fiscal year (FY) 2026 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the "Budget" is in regard to the 2026 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2023 and 2024, Full-Year Continuing Resolution levels for 2025, and the President's Budget request for 2026. Amounts for 2025 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the "2018 Farm Bill" is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2025, as extended by the American Relief Act, 2025 (P.L. 118-158, Division D). Amounts shown in 2025 and 2026 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2023, 2024, 2025 and 2026.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

AGENCY-WIDE**PURPOSE STATEMENT**

The Rural Housing Service (RHS) housing programs are authorized by the Housing Act of 1949 ("Housing Act", P.L. 81-171), as amended, and the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625). The community facilities programs are authorized by the Consolidated Farm and Rural Development Act of 1972 ("CONACT", P.L. 92-419), as amended. The RHS programs implement, sustain, and advance the policy goals outlined in Section 2 of the Housing Act, which states in part: "...the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development... and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation...."

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

Section 502 SFH Guaranteed Loan Program (42 U.S.C. 1472(h)) — Authorized in 1990 by the Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625), this program provides low- and moderate-income borrowers access to mortgage credit by providing loan guarantees to agency-approved private-sector lenders. This program currently guarantees loans at 90 percent of the loan principal.

Section 502 SFH Direct Loan Program (42 U.S.C. 1472) — Authorized by the Housing Act of 1949 (P.L. 81-171), this program provides fixed-interest direct loans that enable low- and very low-income families unable to obtain credit elsewhere to purchase, build, repair or renovate modest homes in rural areas. Mortgage payments are subsidized so as not to exceed 24 percent of a borrower's adjusted income.

Section 504 SFH Housing Repair and Rehabilitation Loans and Grants Program (42 U.S.C. 1474) — Authorized by the Housing Act of 1949 (P.L. 81-171), the Housing and Urban Development Act of 1965 (P.L. 89-117), and the Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754), this program provides loans and grants for very low-income and elderly borrowers who own and occupy a home in need of repairs to remove identified health and safety hazards or to make homes accessible for household members with disabilities.

Section 523 SFH Mutual Self-Help Grants Program (42 U.S.C. 1490c) — Authorized by the Housing Act of 1949 (P.L. 81-171), the Housing and Urban Development Act of 1965 (P.L. 89-117), and the Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754), this program provides two-year technical assistance grants to allow qualified nonprofit organizations and public entities to help very low- and low-income individuals and families work cooperatively to build their own homes by the self-help “sweat-equity” method or complete essential repairs for very low-income homeowners.

SFH Credit Sales Program — Authorized under provisions of the Housing Act 1949, (P.L. 81-171), RHS offers Section 502 direct loan financing at non-program rates and terms to buyers purchasing USDA Real Estate Owned (REO) properties. Loan terms range from ten years for investors to a maximum of 30 years for public and private nonprofit organizations providing transitional housing, or to purchasers intending to occupy a property.

Section 515 MFH Rural Rental Housing Direct Loans Program (42 U.S.C. 1485 and 1490a) — Authorized under the Housing Act of 1949 (P.L. 81-171), and P.L. 102-550, this program offers direct loan financing to purchase, construct or rehabilitate affordable rental or cooperative housing, or to develop manufactured housing projects for very low-, low- and moderate-income residents. Funding may also be used to provide approved recreational and service facilities appropriate for use in connection with the housing, and to buy and improve the land on which the buildings are to be located.

Section 514/516 MFH Farm Labor Housing Direct Loans and Grants Program (42 U.S.C. 1484 and 1486) — Authorized under Title V of the Housing Act of 1949 (P.L. 81-171), Section 514 loans and Section 516 grants are used to buy, build, improve, or repair on-farm or off-farm housing for farm laborers. All farm labor housing must be occupied by domestic farm laborers or retirees, or individuals deriving a substantial portion of their income from farm labor or food processing.

Section 521 MFH Rental Assistance Grant Program (RA) (42 U.S.C. 1490a) — Authorized under Title V, Section 521(a)(2) of the Housing Act of 1949 (P.L. 81-171), this program provides payments to owners of USDA-financed Rural Rental Housing or Farm Labor Housing projects on behalf of low-income tenants unable to pay their full rent.

Section 538 MFH Guaranteed Loan Program (42 U.S.C. 1485) — Authorized under Title V, Section 538 of the Housing Act of 1949 (P.L. 81-171), this program provides loan guarantees to qualified private-sector lenders for loans made to eligible borrowers for the purchase, improvement, and construction of multifamily rental housing for low- to moderate-income families and individuals in rural areas. Funding may also be used to provide necessary infrastructure and to buy and improve land.

Section 542 MFH Rural Housing Vouchers (42 U.S.C. 1471 et seq.) — Authorized by the Housing Act of 1949 (P.L. 81-171), and P.L. 93-128, vouchers are available to provide tenant protections in Section 515 properties prepaying mortgages after September 30, 2005, and Section 515 properties in foreclosure. Vouchers are portable and enable residents to seek tenancy elsewhere by offsetting the rent and utility costs at other rental housing.

MFH Preservation and Revitalization (MPR) Demonstration Loans and Grants Program — It is used to restructure loans for existing USDA Rural Rental Housing and Off-Farm Labor Housing projects to help improve and preserve the availability of safe, affordable rental housing for low-income residents. MPR

funding tools include debt deferral, soft second loans, zero percent loans, and grants to address a project's exigent health and safety needs.

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

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

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

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

RD is comprised of three agencies: Rural Housing Service, Rural Utilities Service, and Business-Cooperative Service. RD's headquarters is located in Washington, DC. As of September 30, 2024, there were 4,456 permanent full-time employees, including 150 in the headquarters office and 4,306 in the field offices.

OIG AND GAO REPORTS

Table RHS-1. Closed, Implemented OIG Reports

ID	Date	Title	Result
04601-0003-31	02/07/2020	Multi-Family Housing Tenant Eligibility	The following ten recommendations have been closed, implemented: 1) Develop and provide training or guidance to property management on documentation requirements for tenant files, including document retention policies, income calculations, and any adjustments to income; 2) Develop and provide MFH property owners training or guidance on best practices for document transfers during management company changes; 3) Pursue recovery or take other action as appropriate for the \$3,973 in unauthorized assistance and other errors we identified; 4) Establish additional controls, such as data system reviews or alerts, to ensure the proper tracking and prioritization of past due triennial

ID	Date	Title	Result
			supervisory reviews; 5) Schedule and complete triennial supervisory reviews on the MFH properties that have not received a supervisory review in the previous 3 years; 6) Develop and provide additional guidance for State officials and property management personnel as necessary to ensure the accuracy of tenants SSNs in MFIS; 7) Review the data system checks of SSNs and make changes as needed; 8) Review MFIS data, including legacy data from time periods prior to implementation of the data checks, to ensure compliance with current data rules; 9) Review system controls related to tenants' date of birth to ensure controls identify tenants that are improbably young or old; and 10) Review the data and files we identified as having data errors and take appropriate corrective actions.

Table RHS-2. Closed, Implemented GAO Reports

ID	Date	Title	Result
GAO-24-106334	09/25/2024	Tracking the Funds: Sample of Fiscal Year 2022 Projects Shows Funds Were Awarded for Intended Purposes but Recipients Experienced Some Challenges	No recommendations made.
GAO-24-106480	01/25/2024	Hospital Financing: Volume Limits and Reporting Could Help Manage Risks of Expanding FHA's Mortgage Insurance Program	No recommendations made.
GAO-21-579	07/30/2021	Economic Development: Opportunities Exist for Further Collaboration among EDA, HUD, and USDA	As of January 2023, USDA has implemented this recommendation. Since we made this recommendation, community and economic development planning and coordination across federal, state and local agencies have become a part of larger efforts outlined in legislation passed 2021 (American Rescue Plan Act and Infrastructure Investment and Jobs Act). USDA provided examples of formal collaboration efforts between USDA and the Economic Development Administration (EDA) and between USDA and the Department of Housing and Urban Development (HUD).

AVAILABLE FUNDS AND FTEs**Table RHS-3. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2023 Actual	FTE	2024 Actual	FTE	2025 Estimated	FTE	2026 Estimated	FTE
RHIF:								
Discretionary Appropriations ...	\$517,111	-	\$573,184	-	\$566,858	-	\$456,418	-
RA:								
Discretionary Appropriations ...	1,487,926	-	1,608,000	-	1,642,000	-	1,715,000	-
Vouchers:								
Discretionary Appropriations ...	48,000	-	48,000	-	48,000	-	-	-
MSHH:								
Discretionary Appropriations ...	32,000	-	25,000	-	25,000	-	-	-
RHAG:								
Discretionary Appropriations ...	51,000	-	38,000	-	38,000	-	20,000	-
Supplemental Appropriations ..	60,000	-	-	-	-	-	-	-
CF:								
Discretionary Appropriations ...	343,490	-	18,000	-	29,080	3	-	2
Supplemental Appropriations ..	75,300	-	-	-	-	-	-	-
Offsetting Collections	-	-	505,024	-	-	-	-	-
Total Discretionary								
Appropriations	2,479,527	-	2,310,184	-	2,348,938	3	2,191,418	2
Total Supplemental								
Appropriations	135,300	-	-	-	-	-	-	-
Total Offsetting Collections	-	-	505,024	-	-	-	-	-
Total Adjusted Appropriation...	2,614,827	-	2,815,208	-	2,348,938	3	2,191,418	2
Balance Available, SOY	520,991	-	647,433	-	808,667	-	468,668	-
Balances Interchange	-	-	18,368	-	-	-	-	-
Rescinded Balances	-7,172	-	-63,000	-	-13,993	-	-	-
Recoveries, Other.....	63,272	-	28,679	-	25,440	-	18,087	-
Total Available	3,191,918	-	3,446,688	-	3,169,052	3	2,678,173	2
Lapsing Balances.....	-3,038	-	-6,993	-	-3,158	-	-	-
Balance Available, EOY	-647,433	-	-808,667	-	-468,668	-	-239,294	-
Total Available, RHS	3,191,918	-	3,446,688	-	3,169,052	3	2,678,173	2

This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

This page was intentionally left blank.

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

The appropriations language follows (new language underscored):

Rural Housing Insurance Fund Program Account (including transfer 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: \$25,000,000,000, which shall remain available until September 30, 2027 shall be for section 502 unsubsidized guaranteed loans; \$25,000,000 for section 504 housing repair loans; \$50,000,000 for section 515 rental housing; \$400,000,000 for section 538 guaranteed multi-family housing loans; and \$10,000,000 for credit sales of single family housing acquired.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 504 housing repair loans, \$4,333,000; and repair, rehabilitation, and new construction of section 515 rental housing, \$15,130,000, to remain available until expended: *Provided*, That to support the loan program level for section 538 guaranteed loans made available under this heading the Secretary may charge or adjust any fees to cover the projected cost of such loan guarantees pursuant to the provisions of the Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), and the interest on such loans may not be subsidized: *Provided further*, That applicants in communities that have a current rural area waiver under section 541 of the Housing Act of 1949 (42 U.S.C. 1490q) shall be treated as living in a rural area for purposes of section 502 guaranteed loans provided under this heading.

In addition, for the cost of direct loans and grants, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, \$15,000,000, to remain available until expended, for a demonstration program for the preservation and revitalization of the sections 514, 515, and 516 multi-family rental housing properties to restructure existing USDA multi-family housing loans, as the Secretary deems appropriate, expressly for the purposes of ensuring the project has sufficient resources to preserve the project for the purpose of providing safe and affordable housing for low-income residents and farm laborers including reducing or eliminating interest; deferring loan payments, subordinating, reducing or re-amortizing loan debt; and other financial assistance including advances, payments and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary: *Provided*, That the Secretary shall, as part of the preservation and revitalization agreement, obtain a restrictive use agreement consistent with the terms of the restructuring: *Provided*, That, notwithstanding any other provision of this Act, funds appropriated under this paragraph may be transferred pursuant to section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or section 8 of Public Law 89-106 (7 USC 2263) without written notification to Congress.

In addition, for the cost of direct loans, grants, and contracts, as authorized by sections 514 and 516 of the Housing Act of 1949 (42 U.S.C. 1484, 1486), \$9,701,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts. In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$412,254,000 shall be paid to the appropriation for "Rural Development, Salaries and Expenses".

LEAD-OFF TABULAR STATEMENT***Table RHS-4. Lead-Off Tabular Statement (In dollars)***

Item	Grants	Loan Level	Subsidy	Administrative Expenses
Enacted, 2025	\$12,691,000	\$26,838,000	\$141,913,000	\$412,254,000
Change in Appropriation.....	-2,857,000	-744,516,000	-107,583,000	-
Budget Estimate, 2026	9,834,000	25,516,322,000	34,330,000	412,254,000

PROJECT STATEMENTS**Table RHS-5. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	2025 Estimated PL	2025 Estimated BA	2026 Estimated PL	2026 Estimated BA	PL Inc. or Dec.	Chg Key	BA Inc. or Dec.	Chg Key
Discretionary Approp:												
Sec 502 SFH Direct Loans	\$947,912	\$35,168	\$880,000	\$84,480	\$715,932	\$84,480	-	-	-\$715,932	(1)	-\$84,480	(13)
SFHD Native American Relending Pilot..	9,021	2,968	5,500	2,517	4,633	2,288	-	-	-4,633	(2)	-2,288	(13)
Sec 502 SFH Guaranteed Loans	30,000,000	-	25,000,000	-	25,000,000	-	\$25,000,000	-	-	(3)	-	-
Sec 504 Direct Loans, Very Low	14,181	1,177	23,683	4,109	20,271	4,338	25,003	\$4,333	+4,732	(4)	-5	(13)
Sec 515 MFH Direct Loans	70,000	13,377	60,000	20,988	47,138	18,662	50,000	15,130	+2,862	(5)	-3,532	(13)
Sec 538 MFH Guaranteed Loans	400,000	-	400,000	-	400,000	-	400,000	-	-	(6)	-	-
Sec 523 Land Development	-	-	4,534	637	3,697	637	-	-	-3,697	(7)	-637	(13)
Sec 524 Direct Site Dev Loans	2,000	83	6,046	477	5,470	477	-	-	-5,470	(8)	-477	(13)
SFH Credit Sales	10,000	-	10,000	-	10,000	-	10,000	-	-	-	-	-
Sec 514 FLH Loans	20,000	4,084	15,001	5,222	13,473	5,222	10,967	3,481	-2,506	(9)	-1,741	(13)
Sec 516 FLH Grants	10,000	10,000	7,500	7,500	5,500	5,500	6,220	6,220	+720	(10)	+720	(10)
MFH Preserv/Revi Grant/Loans Program	36,000	36,000	34,000	34,000	46,415	32,000	23,966	15,000	-22,449	(11)	-17,000	(11)
GP MFH Preserv/Revi Pilot Grants	2,000	2,000	1,000	1,000	1,000	1,000	-	-	-1,000	(12)	-1,000	(12)
Administrative Expenses	-	412,254	-	412,254	-	412,254	-	412,254	-	-	-	-
Subtotal	31,521,114	517,111	26,447,264	573,184	26,273,529	566,858	25,526,156	456,418	-747,373		-110,440	
Total Adjusted Approp	31,521,114	517,111	26,447,264	573,184	26,259,114	566,858	25,526,156	456,418	-737,373		-110,440	
Add back:												
Transfers In and Out, Rescissions	322,396	12,246	820	-	9,875	6,326	-	-	-9,875		-6,326	
Total Appropriation	31,843,510	529,357	26,448,084	573,184	26,283,404	573,184	25,526,156	456,418	-757,248		-116,766	
Transfers In:												
SFHD Native American Relending Pilot..	1,520	500	500	229	-	-	-	-	-	-	-	-
Total Transfers In	1,520	500	500	229	-	-	-	-	-	-	-	-
Transfers Out:												
Sec 502 SFH Direct Loans	-302,088	-11,207	-	-	-	-	-	-	-	-	-	-
Sec 504 direct loans, very low	-13,819	-1,147	-1,320	-229	-	-	-	-	-	-	-	-
Sec 524 direct site dev loans	-3,000	-125	-	-	-	-	-	-	-	-	-	-
Sec 523 Land Development	-5,009	-267	-	-	-	-	-	-	-	-	-	-
Sec 516 FLH Grants	-	-	-	-	-2,000	-2,000	-	-	+2,000		+2,000	
MFH Preserv/Revi Grants/Mods	-	-	-	-	-2,000	-2,000	-	-	+2,000		+2,000	
Sec 515 MFH Direct Loans	-	-	-	-	-5,875	-2,326	-	-	+5,875		+2,326	
Total Transfers Out	-323,916	-12,746	-1,320	-229	-9,875	-6,326	-	-	+9,875	-	+6,326	
Balances Interchange			231,332	19,928	-	-	-	-	-	-	-	-
Recoveries, Other	22,653	5,305	14,273	10,903	30,219	14,185	11,463	7,342	-18,756		-6,843	
Rescinded Balances	-125,884	-5,391	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY	986,417	69,714	109,596	84,315	19,084,452	145,467	25,254,311	159,411	+6,169,859		+13,944	
Total Available	32,404,300	586,739	26,802,465	688,330	45,388,200	726,510	50,791,930	623,171	+5,403,730	-	-103,339	
Lapsing Balances	-23,500,955	-3,038	-208,486	-3,289	-4,706,433	-3,158	-	-	+4,706,433		+3,158	
Bal. Available, EOY	-131,715	-84,315	-19,099,535	-145,467	-25,225,943	-159,411	-25,245,649	-152,215	-19,706		+7,196	

Table RHS-6. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	2025 Estimated PL	2025 Estimated BA	2026 Estimated PL	2026 Estimated BA	PL Inc. or Dec.	BA Inc. or Dec.
Discretionary Obligations:										
Sec 502 SFH Direct Loans	\$912,761	\$33,863	\$1,092,449	\$104,892	*	*	-	-	*	*
SFHD Native American Relending Pilot..	9,021	2,164	5,500	2,500	*	*	-	-	*	*
Sec 502 SFH Guaranteed Loans	6,799,949	-	6,130,494	-	\$14,368,559	-	\$25,000,000	-	+\$10,631,441	-
Sec 504 Direct Loans, Very Low	13,342	1,108	11,266	1,955	14,252	\$3,050	25,003	\$4,333	+10,751	+\$1,283
Sec 515 MFH Direct Loans.....	70,000	13,377	9,241	3,233	41,541	16,446	50,000	15,130	+8,459	-1,316
Sec 538 MFH Guaranteed Loans.....	167,606	-	224,735	-	220,158	-	400,000	-	+179,842	-
Sec 523 Land Development.....	-	-	-	-	-	-	-	-	-	-
Sec 524 Direct Site Dev Loans	2,000	83	113	11	1,124	98	-	-	-1,124	-98
SFH Credit Sales	-	-	-	-	147	-	10,000	-	+9,853	-
Sec 514 FLH Loans	60	12	9,204	3,204	15,093	5,850	14,093	4,473	-1,000	-1,377
Sec 516 FLH Grants	579	579	11,442	11,442	12,203	12,203	12,856	12,856	+653	+653
MFH Pres/Revi Grants/Loan Programs ..	7,020	3,716	-	83	33,027	23,582	33,105	20,686	78	-2,896
GP MFH Preserv/Revi Pilot Grants.....	3,000	3,000	-	-	1,020	1,020	1,224	1,224	+204	+204
Administrative Expenses.....	-	412,254	-	412,254	-	412,254	-	412,254	-	-
Subtotal Disc oblig	7,985,338	470,156	7,494,444	539,574	14,707,124	474,503	25,546,281	470,956	+10,839,157	-3,547
Mandatory Obligations:										
Sec 502 SFH ARP Direct Loans.....	784,528	29,084	-	-	-	-	-	-	-	-
Sec 504 ARP Direct Loans	1,764	146	-	-	-	-	-	-	-	-
Subtotal Mand Oblig	786,292	29,230	-	-	-	-	-	-	-	-
Total Obligations	8,771,630	499,386	7,494,444	539,574	14,707,124	474,503	25,546,281	470,956	+10,839,157	-3,547
Add back:										
Lapsing Balances	23,500,955	3,038	208,486	3,289	4,706,433	3,158	-	-	-4,706,433	-3,158
Balances Available, EOY:										
Sec 502 SFH Direct Loans	-	-	21,068	2,023	-	-	-	-	-	-
Sec 502 SFH Guaranteed Loans	-	-	18,869,506	-	25,000,000	-	25,000,000	-	-	-
Sec 514 FL H Loans	57,385	11,718	40,939	14,251	39,025	15,126	48,459	15,381	+9,434	+255
Sec 516 FLH Grants	23,738	23,738	23,878	23,878	23,619	23,619	20,562	20,562	-3,057	-3,057
Other	-	10	-	12	-	12	-	12	-	-
Sec 515 MFH Direct Loans.....	-	-	50,759	17,755	50,444	19,971	65,998	19,971	+15,554	-
MFH Preserv/Revi Zero Int	3,088	1,345	3,567	2,007	25,972	15,456	30,597	16,256	+4,625	+800
MFH Preservation/Revi Soft Sec	-	-	14,759	9,855	5,713	4,057	-	-	-5,713	-4,057
GP MFH Preserv/Revi Pilot Grants.....	4,048	4,048	4,900	4,900	4,880	4,880	3,656	3,656	-1,224	-1,224
MFH Pres/Revi Grants	43,456	43,456	70,159	70,786	76,290	76,290	76,377	76,377	+87	+87
Total Bal. Available, EOY	131,715	84,315	19,099,535	145,467	25,225,943	159,411	25,245,649	152,215	+19,706	-7,196
Less:										
Total Transfers In.....	-1,520	-500	-500	-229	-	-	-	-	-	-
Total Transfers Out.....	323,916	12,746	1,320	229	9,875	6,326	-	-	-9,875	-6,326
Balances Interchange	-	-	-231,332	-19,928	-	-	-	-	-	-
Recoveries, Other	-22,653	-5,305	-14,273	-10,903	-30,219	-14,185	-11,463	-7,342	+18,756	+6,843
Rescinded Balances	125,884	5,391	-	-	-	-	-	-	-	-

*Obligations cannot be determined at this time.

JUSTIFICATION OF CHANGES**Rural Housing Insurance Fund**

Rural Housing Service (RHS) programs provide easy access financing with low interest rates to rural families so they can buy or rent a home. RHS also supports rural communities by providing healthcare to the people and places in our country that often lack access.

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

- (1) A decrease of \$715,932,000 in program level for the Section 502 Single-Family Housing Direct Loan program (\$715,932,000 available in 2025).

The agency is not requesting funding for this program in the 2026 budget; the focus for the portfolio will be on Single Family Housing Guaranteed loans.

- (2) A decrease of \$4,633,000 in program level for the SFH Relending Program for Native American Tribes program (\$4,633,000 available in 2025).

The budget does not include funding for this activity; the focus in 2026 will be on the Single Family Housing Section 502 guaranteed loan program.

- (3) No change for the Section 502 SFH Guarantee Loan Program (\$25,000,000 available in 2025).

The Section 502 SFH Guarantee Loan Program (SFHGLP) provides low- and moderate- income rural families with access to mortgage credit by guaranteeing loans issued by agency- approved private sector lenders. These loans require no down payment, have low up-front costs, and can finance up to 100 percent of the appraised value, plus the guaranteed fee. Loan terms of 30 years are provided at a competitive rate that is capped by the agency. The program also refinances higher interest, existing USDA guaranteed or direct loans. The SFH Guarantee Loan Program continues to advance the strategic goal of creating prosperity in rural America by addressing the critical need for credit access in rural areas. Without the USDA loan guarantee lenders will not extend mortgage credit to tens of thousands of creditworthy low- and moderate-income rural Americans who cannot meet down payment requirements and would not have homeownership opportunities in 2025.

The agency obligated \$6,130.5 million in 2024. In 2024, the agency saw the demand for the guaranteed loan program continue to decrease over the past few years, mainly because rising interest rates and price increases associated with limited housing inventory have contributed to historic industry lows in housing affordability, which negatively affects the obligations associated with this program. However, in 2025 there is an increase in application volume compared to last year, and as of January 2025 the figure was in the hundreds of millions. January 2025 was the fourth consecutive month where dollars obligated exceeded the same month for each of the previous two years.

To agency is updating its programs to align with the direction and guidance of the Administration. In doing so, the SFH Guaranteed Loan program immediately updated the U.S citizenship

guidelines regarding those eligible to apply for a guaranteed loan. Additionally, the agency is working on the process of updating handbooks and guidance to be in compliance with 2025 Presidential Executive Orders and priorities.

In 2024, RHS published a final rule in the Federal Register (89 FR 66189) implementing changes to the SFH Guaranteed Loan Program to amend the current regulations regarding Special Servicing Options and adjust the Mortgage Recovery Advance (MRA) process. This effort is intended to benefit borrowers and lenders by providing lenders with more flexibility in their servicing options, offering a less expensive and less cumbersome MRA process, and reduce

program risk of the guaranteed loan portfolio. This final rule (90 FR 9375) went into effect April 14, 2025.

On July 26, 2023, the agency launched two pilot programs in the SFHGLP portfolio to increase affordability homeownership opportunities for people on Tribal lands. The Tribal Property Valuation Pilot program provides approved lenders the opportunity to obtain desktop appraisals for dwellings on Tribal land. This pilot program is expected to help decrease the cost as well as eliminate potential inaccuracies in appraisal reports. Under current requirements, appraisers often must be hired from outside the local area because there are very few local appraisers in tribal areas, and a lack of familiarity with the local market area can result in inaccurate values. The Tribal Rehabilitation Pilot Program was designed to address the fact that many homes on Tribal lands that are passed down through generations need renovations to make them safe and bring them up to code. Under current requirements, applicants are not eligible unless they are purchasing the home or have an existing SFH Guaranteed Loan. This program will help people who have inherited their home remain in safe and improved housing on Tribal lands and improve their quality of life. This program, announced in the Federal Register (88 FR 48031), is expected to continue until July 28, 2025, at which time the agency will decide to continue or terminate the pilot program.

To preserve the authorization level of \$25 billion, program management actively seeks to maintain the program's neutral subsidy rate (or slightly negative). This enables the program to meet its mission service goals without requiring budget authority to offset credit losses. Program demand is affected by changing macroeconomic conditions. With a total of \$25 billion in lending capacity, the program will provide 125,334 guaranteed loans. In accordance with community needs, the program will focus on increasing assistance to distressed communities. This includes increasing outreach through targeted marketing campaigns and diversifying approved lenders. Although this program experienced low demand last year, RD is expecting demand will increase as a result of economic improvement and a reduction in the mortgages rates. The budget requests a change in the appropriation language that the loan authority for this program be available until expended.

- (4) An increase of \$4,732,000 in program level for the Section 504 Housing Repair Loan program (\$20,271,000 available in 2025).

Section 504 Housing Repair loans are intended to help very low-income owner- occupants in rural areas repair their properties. These loan funds may be used to make general repairs and improvements to properties or to remove health and safety hazards, as long as the dwelling remains modest in size and design. The agency does have guidelines codified in regulation about the type of properties eligible. The property must be one that is considered modest for the area and must not be designed for income producing purposes or have a market value in excess of the applicable maximum area loan limit. Dwellings repaired with these funds need not be brought to the agency development standards, nor must all existing hazards be removed; however, major health or safety hazards must be resolved. All housing repair work must be completed in accordance with local construction codes and standards.

In 2024, the agency obligated \$11.3 million across 1,201 obligations, including \$0.7 million in persistent poverty areas, with smaller amounts for Colonias, Indian Country, and Undeserved Areas. RD's made investments across almost every state, with Texas receiving the largest investment total, \$1.2 million. Both Michigan and Illinois each received over \$830,000 worth of funding as well to positively impact the lives of rural Americans through home repairs through almost 180 loans.

On December 2, 2024, RHS published a notice in the Federal Register (89 FR 95079) implementing a demonstration program for the Section 504 Direct SFH Loans and Grants pilot program. The agency's intention is to evaluate the existing regulations and remove

regulatory barriers to assist eligible applicants with improved ease of use for very low-income homeowners seeking to repair or rehabilitate their homes. The pilot program allows participants to use Section 504 loan or grant funds for the payment of construction materials prior to site delivery and without the need for the contractor to provide a surety bond. Under the demonstration program, payment in full may be made directly to the material supplier so the order can be placed or to the contractor upon receipt of paid invoice. Contractors expect up to fifty percent down prior to ordering materials or beginning work, and applicants struggle to find contractors that will work within the agency's payment terms. This waiver is a step closer to meeting contractor expectations while still protecting applicants from fraudulent contractors that might take downpayment funds and never complete the job. The effective date of the regulatory waiver was the date of publishing. The pilot program is anticipated to continue until December 2, 2026, at which time the RHS may extend the pilot program, with or without modifications, or terminate it depending on the workload and resources needed to administer the program, feedback from the public, and the effectiveness of the program.

With \$25 million program level requested, the Section 504 Housing Repair Direct can make approximately 2,517 loans in 2026 that continue to support the Administration's effort to provide affordable, sustainable housing by funding repairs to make repairs to conditions that are health or safety hazards.

- (5) An increase of \$2,862,000 in program level for the Section 515 Multi-family Housing Direct Loan program (\$47,136,000 available in 2025).

Continuing funding is crucial to ensuring the continued success of the Multi-family Housing (MFH) program and for building a sound portfolio that will serve rural residents for years to come. RD primary program partner is the Low-Income Housing Tax Credit (LIHTC) program, which provides private equity capital for project preservation and reduces debt service, requiring less rental assistance to support the affordable housing. RD also is collaborating with other agencies, such as Housing and Urban Development (HUD) and Treasury, to streamline the MFH program requirements of RD, HUD, and LIHTC, and working with the Department of Energy to identify alternative approaches to energy conservation. RHS will also target investment opportunities in areas of need through an emphasis on funding rehabilitation of its rental housing in persistent poverty areas. This funding will also target RD properties where the promissory note is maturing to retain properties in the portfolio and enable tenants to continue living in affordable housing. Funding will also address high poverty areas and serve to revitalize the MFH portfolio. Section 515 funding will be used in conjunction with MFH's Rental Assistance (RA), Multi-family Preservation and Revitalization (MPR), and in some cases Section 538 Guaranteed Loan programs.

Sections 515 Rural Rental and 514 Farm Labor Housing portfolios are aging, and mortgage maturities will accelerate significantly from 2027 through 2041. Each year from 2022 to 2028 an average of 80 properties per year will mature, and from 2028 to 2040 that average increases dramatically to 550 properties per year. Without substantially increased levels of appropriated MPR funds, 228,700 units will be lost at the time of loan maturity through 2050. There is an urgent need to find solutions to allow these properties to recapitalize, perform needed rehabilitation, and be preserved as quality affordable housing assets for many years to come. The current statutory authority requires a property to have a Section 514 or 515 mortgage to receive Section 521 RA. If the Section 514/515 mortgage is paid off through prepayment or maturity, the property can no longer receive RA. Because keeping RA in place requires keeping the Section 514/515 mortgage in place, accessing new private debt or equity to recapitalize and preserve these properties is very difficult, costly, and requires complicated subordination agreements. To address this preservation hurdle, the debt is currently deferred for 20 years under the MPR program. However, debt deferral creates a level of credit risk due to the 20-year balloon note, is expensive from a credit subsidy perspective, and is not sustainable as a single source tool for long-term preservation path for these properties.

In 2024, the agency obligated \$9.2 million across seven obligations. The funding from this program was obligated in California, Oregon, and Washington. The majority of the funds were obligated in California. The \$8.7 million the agency awarded in California will go towards five projects that will be used to assist in the rehabilitation of various properties to improve the living conditions for current and future tenants. Those five projects are as follows. A \$1.6 million investment will go to the rehabilitation of Westwood Manor, a family Section 515 multifamily housing complex in Earlimart, California. This project consists of four one-bedroom, 24 two-bedrooms, and 12 three-bedroom units. The Lemoore Elderly Apartments, an elderly multifamily housing complex in Lemoore was awarded almost \$1.8 million for a project that consists of 23 two-bedroom units. Further investment in elderly multifamily housing complexes occurred in Exeter, Selma, and Reedley. A \$1.9 million was awarded to Exeter Elderly Apartments and \$1.5 million was awarded for Selma Elderly Apartments; each of the projects consist of 24 two-bedroom units. Lastly, \$1.9 million went towards Reedley Elderly Apartments a project that consists of 23 two-bedroom units. The investment in Washington went towards a family multifamily housing complex and the funds in Oregon went towards an elderly multifamily housing complex.

RHS published a final rule in the Federal Register (89 FR 106977) on December 31, 2024, to update its regulation on how credit reports are obtained for the purpose of determining eligibility and feasibility for MFH Programs. It is the agency's expectation that this regulation update will align RHS with current industry practices and create efficiency for applicants and borrowers by streamlining the application process.

In 2023, USDA conducted a series of five stakeholder meetings to provide information to Congress on how decoupling of Section 521 RA from Section 515 mortgages would be implemented. The responses the agency received were overwhelmingly positive and stakeholders are excited to have this additional tool to preserve the affordability of mature Section 515 mortgages. Many of the stakeholders were eager to offer up suggestions and issues for USDA consideration around implementation.

In December 2024, RHS announced the extension of a pilot program for simple transfers of USDA Section 515 and Section 514 properties via the Federal Register (89 FR 96860). The agency's intention is to evaluate the existing regulations and remove regulatory barriers to reduce application requirements for certain types of transfers, resulting in lower transaction-related costs for applicants and improved processing times. MFH has identified the need to simplify the transfer of ownership for certain types of transactions. The pilot program was extended until December 9, 2025. The current process places the same submission requirements on applicants regardless of the complexity of the transaction, resulting in undue burdens for relatively uncomplicated transfers, thereby reducing potential transfer and preservation activity in the portfolio. The three options in this pilot are: (1) Simple Transfer with Expedited Ownership Change Required; (2) Simple Transfer with Rehabilitation; and (3) Simple Transfer with Future Rehabilitation/Recapitalization Plan.

A program level of \$50 million in 2026 will support an estimated 35 loans. The funding is essential for continuing to maintain and increase affordable housing in rural American where the renters are more vulnerable, and availability of other options are non-existent.

The 2026 Budget continues to request to decouple section 521 RA from section 515 loans to facilitate the rehabilitation and preservation of the MFH loan portfolio. The request to allow the Section 514/515 debt to be paid off while keeping the RA in place is essential to facilitate preservation at scale across the Section 515 portfolio. RA is a critical component underlying all modern-day affordable housing platforms and is needed to achieve rents that will support recapitalization. RA is often included in state housing finance agency prioritization for receipt of low-income housing tax credits and other local resources. When the Section 515 mortgage matures or prepays, the debt load of the property is reduced, allowing borrowers to take on

additional third-party debt to facilitate recapitalization. The proposal aligns with H.R. 1603, the Farm Workforce Modernization Act of 2021, which provides the authority to decouple Sections 514 and 515 from Section 521 Rental Assistance. There are needs for rebuilding the portfolio of multifamily housing in rural areas. Most of these projects were built back in 1970 and they are in need of restoration. In addition, because of increased population additional projects are needed.

- (6) No change in program level for Section 538 MFH Guaranteed Loan Program (\$400,000,000 available in 2025).

The Section 538 MFH Guaranteed Loan Program promotes strategic investment in America's housing infrastructure by leveraging high levels of third-party funding that reduces the size of the Section 538 loan in the overall transaction, minimizing the cost of the loan to the project and the impact on tenant rents. The primary program partner is the LIHTC program. RD partners with many states tax credit allocating agencies to include the use of tax credits for rural rental housing preservation and construction in those states' Qualified Allocation Plans. For every \$1 invested from the Section 538 program, the agency can leverage about \$2.88 of public-private funding. This program meets critical housing needs in rural America.

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

Section 538 loans can be used for either new construction or substantial rehabilitation of existing projects. Over the past five years, approximately half of Section 538 loans have been used to revitalize existing Section 515 projects, while the remaining half has been used for new construction. The level of funding in the Section 538 program will help replace new construction not funded through the Section 515 program, while both the 538 and MPR programs will assist in the rehabilitation of the existing Section 515 housing stock, providing affordable housing in rural America.

The agency obligated \$224.7 million over 76 loans in 2024, a significant increase from the \$167.6 million obligated in 2023. These funds are obligated across 18 states with approximately 43 percent of funds being obligated in South Carolina and West Virginia. On March 19, 2024, the agency published a final rule in the Federal Register (89 FR 19497) to align the current criteria of priority projects with the Housing Act of 1949, as amended, to improve customer experience with more timely and proactive responses to housing market demands and Administration priorities. The effective date of the final rule was April 18, 2024.

In West Virginia, an investment in the state of approximately \$42.9 million went towards five projects. In Parkersburg, RD awarded funding to construct Patriot Center Apartments, a senior multifamily housing complex. This project has a total of nine one-bedroom and 24 two-bedroom units housed in one three-story buildings. Property amenities include a community, covered storage, and an elevator. While in Huntington funding will be used in the construction of Childers Crossing, a family multifamily housing complex, a project with 30 three-bedroom units. Beyond construction, RD awarded funding for the rehabilitation of two complexes to improve the living conditions for current and future tenants. Franklin Manor Apartments, a family multi-family housing complex in Martinsburg that consists of 12 one-bedroom, 28 two-bedroom, four three-bedroom, and four four-bedroom units. The property also includes a laundry facility, leasing office and maintenance area. The second project, Beckley Townhomes, is a family multifamily housing complex in Beckley that consists of 60 one-bedroom, 161 two-bedroom, and 88 three-bedroom units. Lastly, RD awarded funding that will be used to assist in the transfer, assumption, and

rehabilitation of Tremount Park Apartments, a family RD Section 515 multi-family housing complex in Bluewell. This project consists of 12 one-bedroom and 24 two-bedroom units.

The agency invested more funds for RD Section 515 properties beyond the project in West Virginia; the agency obligated about \$34.6 million towards projects across California, Colorado, Florida, Georgia, Michigan, Mississippi, North Carolina, Ohio, Oklahoma, South Carolina, Texas, and Utah. These funds will be used to assist in the transfer, assumption and rehabilitation of family properties and properties for seniors. Brookwood Apartments, a family Section 515 multi-family housing complex in Homerville, Georgia received funding for a project that consists of 44 one-bedroom and 42 two-bedroom units. In Michigan, Woodbrook Senior Apartments, an elderly Section 515 multi-family housing complex in Three Rivers, Michigan was awarded funding for a project that consists of 28 one-bedroom and four two-bedroom units.

As RD continues program outreach efforts, this funding will allow the agency to address more effectively the growing need for new housing and rehabilitation of existing facilities, creating approximately 57 projects and 3,360 units. The continuation of the program is critical because it encourages investment in housing facilities for rural residents unable to afford housing at other facilities and without this program, rural homelessness could increase. This program will support the Administration initiative of increasing affordable housing.

- (7) A decrease of \$3,697,000 in program level for Section 523 Housing Land Development program level (\$3,697,000 available in 2025).

Funding is not requested for this program.

- (8) A decrease of \$5,470,000 in program level for the Section 524 Housing Site Development program (\$5,470,000 available in 2025).

Funding is not requested for this program.

- (9) A decrease of \$2,506,000 in program level for the Section 514 Farm Labor Housing loans program (\$13,473,000 available in 2025).

Funding for the Section 514 Farm Labor Housing loans will allow the agency to continue to support farmers providing decent, safe, and sanitary housing for farm laborers for small, on-farm housing or off-farm MFH developments. Continuation of the program is critical because it provides a safe environment for hard-working residents in rural America, and it fosters the growth of families, communities, and the economy. Funding supports new construction and rehabilitation of farmworker rural rental housing and provides support to communities with agricultural or food processing industries as they work to increase local economic prosperity. A key program used to access capital markets to leverage RD's Section 514 and 516 funding is the Low-Income Housing Tax Credit (LIHTC) program. A few states also aid through grant programs designed to attract farm labor housing development opportunities; RD works very closely with those states to coordinate efforts. For each dollar invested RHS leveraged \$3.31 of third-party funds.

In 2024, the agency obligated \$9.2 million, a significant increase from 2023. The agency awarded loans in five states: California, Colorado, Florida, Oregon, and Washington. Florida received the largest investment, three projects totaling \$7.7 million for three different properties.

In Washington, the agency awarded a series of combination loan and grants for three projects. Of the \$4.2 million RD invested, the loans portion totaled \$420,000. These funds all went towards family multifamily housing complexes. Washington Square Apartments, in Wenatchee, will undergo the rehabilitation of nine one-bedroom, 13 two-bedroom, 10 three-bedroom, and four four-bedroom units. Wenatchee II will undergo renovation of seven one-bedroom, 10 two-bedroom, 13 three-bedroom, and nine four-bedroom units. Lastly, in East

Wenatchee, Heritage Glen, will undergo renovation of 16 one-bedroom, eight two-bedroom, nine three-bedroom, and two four-bedroom units.

The agency continues to work on improving customer service and several other efforts with a few of them mentioned below.

RHS published a final rule in the Federal Register (89 FR 103627) on December 19, 2024, amending its regulation to implement changes related to the smoke alarm requirements for properties that receive funding from the MFH Section 515 Rural Rental Housing and the Section 514/516 Farm Labor Housing Direct Loan and Grant Programs. These changes are intended to align the agency's smoke alarm requirements with the requirements set forth in the Consolidated Appropriations Act, 2023. The Consolidated Appropriations Act, 2023, requires each unit of Federally assisted housing to contain hardwired or 10-year non-rechargeable, non-replaceable, sealed, tamper-resistant, primary battery-powered smoke alarm devices containing silencing means, and provides notification for persons with hearing loss as required by applicable law (Qualifying Smoke Alarm requirements).

In 2024, the agency continues to make positive improvements in program administration and published a proposed rule in the Federal Register (88 FR 73245) on October 25, 2023. The proposed rule seeks to amend the regulation for the MFH Direct Loan and Grant programs to align RD insurance coverage types, amounts, and deductibles with affordable housing industry standards to simplify the coverage amounts, deductible limits, and improve the customer experience with updated and understandable insurance requirements.

Funding requested in 2026 will allow construction of 14 FLH projects where critical market demand has been established, and all other necessary funding is in place to proceed. The funding requested will also provide resources for 8 existing FLH properties (172 units) in need of capital to perform critical physical repairs. With the additional funding requested, the Section 514 FLH program can provide 9 loans that will allow the agency to continue to support farmers providing decent, safe, and sanitary housing for farm laborers for small, on-farm housing or off-farm MFH developments. The combined \$11 million in loan level and \$6.2 million in grants for Farm Labor Housing will allow existing Farm Labor Housing projects funded in prior years but currently unable to proceed to construction due to cost increases. The budget requests a change in the appropriation language that loan authority for this program be available until expended.

- (10) An increase of \$720,000 for the Section 516 Farm Labor Housing Grants program (\$5,500,000 available in 2025).

Funding for the Section 516 Farm Labor Housing (FLH) grant program will provide farm workers with decent, safe, and sanitary housing for off-farm FLH developments. Section 516 grants are limited to off-farm housing and RHS typically provides a combination of Section 514 loans (mentioned above) and Section 516 grants to fund these projects. Section 516 grants are critical to off-farm FLH because they reduce the amount of debt service, reduce project expenses and the amount of rental assistance needed to support the project. In addition to being an eligible entity, grantees must be able to contribute at least one-tenth of the total farm labor housing development cost from its own or other resources; an off-farm FLH loan may be used to meet this requirement. At present, the regulatory language states that off-farm FLH grant agreement will remain in effect as long as there is a need for farm labor housing.

In 2024, the program obligated \$11.4 million across nine grants; this is a significant increase in obligations compared to 2023. The funding was obligated across five states: California, Colorado, Florida, Oregon, and Washington.

As demonstrated in the FLH loans program, the grants are a vital component to the overall financial package for FLH projects. Grants covered 90 percent of the funding for the projects in

Washington. For a large project in Florida, the grant portion covered 37 percent of the funding, which equates to about \$4.5 million. For a small project in Colorado, the agency awarded a combination \$1.0 million grant and a loan over \$900 thousand that will be used to rehabilitate 72 one-bedroom units at Tierra Nueva Dormitory Center, a family multifamily housing complex in Center, Colorado. The agency also fully funded a project with an awarded a \$956,333 grant for the rehabilitation of Villa Del Sol, a family multifamily housing complex in McMinnville, Oregon. This project consists of eight two-bedroom, 12 three-bedroom, and four four-bedroom units. The projects funded in this program will go through significant rehabilitation and improve the living conditions for current and future tenants.

On November 15, 2024, the agency published a final rule in the Federal Register (89 FR 90221) "Updates to the Off-Farm Labor Housing (Off-FLH), Loan and Grant Rates and Terms; Clarification of Grant Agreement Terms; Announcement of Effective Date". This rule amended the regulation for the Off-FLH program by clarifying the grant agreement term and adopting the period of performance as required by Federal award information requirements. This initiative is expected to clarify for applicants and grantees their obligations and requirements as Federal award recipients. This final rule was effective as of November 25, 2024.

A funding level of \$6.2 million in 2026 will support an estimated 4 grants.

- (11) A decrease of \$22,449,000 in program level and \$17,000 in budget authority for Section 515 Multi-family Preservation and Revitalization account (\$46,416,000 available in 2025).

The Section 515 MPR program provides funding for MFH projects for revitalization and preservation of properties. Zero percent loan, soft second loan, and revitalization grant programs provide an inexpensive source of funding to preserve and modernize RHS' multifamily direct loan housing, increasing the value of the property and instilling its residents with a greater sense of pride in the vitality of their community. The funding will be used for modifications of existing loans. This program appropriations language provides the flexibility of using the subsidy supporting these tools as demand occurs.

The revitalization tools are critical to attract capital market investment into rural communities through the modernization of existing RD housing. RHS uses the revitalization tools to provide gap financing not covered through the Low-Income Housing Tax Credit (LIHTC) or other state or Federal programs. As a result, RHS can leverage approximately three times its funds in investments from LIHTC and other sources. A close partnership with state tax credit allocating agencies is critical, because without a financial commitment by RHS through the revitalization tools the credits and other third-party funding will decrease and rehabilitation of RHS's aging stock of rural rental housing is less likely to occur. The agency published the NOFA on September 27, 2024, in the Federal Register (89 FR 79229). In 2024, the MPR modified a total of \$990,475 loans and incurred loan modification costs across 38 loans. The MFH Revitalization Loan Pre-Credit Reform Financing & Liquidating - Modification Deferrals accounted for one obligation, with two obligations for both the Section 514 Farm Labor Housing Loan Modification Reamortizations Direct Loan Maturing Mortgage, and 33 obligations for the Section 515 Rural Rental Housing Loan Modification Reamortizations Direct Loan Maturing Mortgage program.

The funding for this program was obligated across 19 states. The largest program investment occurred in Indiana who received 50% of the total funding for this program, the agency's one Modification Deferral loan. The \$475,629 investment will be used to assist in the rehabilitation of Meridian Commons, a family multifamily housing complex in Portland, Indiana. The project consists of 10 one-bedroom and 10 two-bedroom units which will go through significant rehabilitation and improve the living conditions for all the current and future tenants.

This Budget request continues to emphasize the need for improving/adding multifamily housing options in rural areas. This program works in tandem with MFH Direct resources for increasing the availability of safe and affordable housing in rural areas and increasing options when maturing mortgages are going to increase from 2028 to 2050. This funding will allow for an

estimated seven zero percent and two soft seconds loans for rehabilitating and preserving affordable rural rental housing. Within this total, \$2.9 million will be used for grants to support modifications. There are needs for rebuilding the portfolio of multifamily housing in rural areas. Most of these projects were built back in 1970 and they are in need of restoration. In addition, because of increased population additional projects are needed.

The funds requested will support 24 grants.

- (12) A decrease of \$1,000,000 in program level for Section 515 Maturing Mortgages Pilot Project (\$1,000,000 available in 2025).

Funding for this effort is not being requested in 2026 any maturing mortgage efforts will be done with the Rental Assistance program.

- (13) A decrease of \$93,160 in direct loan subsidy budget authority (\$116,104,000 available in 2025).

The agency is not requesting funding for multiple programs in the 2026 Budget.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RHS-7. Geographic Breakdown of Obligations for Sec 502 SFH Direct Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$10,081	\$24,201	-	-
Alaska	16,138	14,040	-	-
Arizona	19,324	40,550	-	-
Arkansas.....	9,476	11,919	-	-
California	117,850	140,683	-	-
Colorado	15,510	17,721	-	-
Connecticut	745	1,779	-	-
Delaware	11,839	11,051	-	-
Florida	44,276	43,106	-	-
Georgia.....	13,795	23,027	-	-
Guam	3,361	6,618	-	-
Hawaii	3,213	7,038	-	-
Idaho	12,885	7,360	-	-
Illinois	7,380	11,860	-	-
Indiana	48,231	55,534	-	-
Iowa.....	14,261	14,691	-	-
Kansas.....	2,910	5,492	-	-
Kentucky	18,996	21,963	-	-
Louisiana	25,096	22,669	-	-
Maine	19,331	22,852	-	-
Maryland.....	5,431	10,435	-	-
Massachusetts	1,823	1,934	-	-
Michigan	16,003	24,675	-	-
Minnesota	15,144	16,621	-	-
Mississippi.....	28,878	25,812	-	-
Missouri	12,645	20,946	-	-
Montana	7,662	12,368	-	-
Nebraska	2,364	7,015	-	-
Nevada	11,614	9,523	-	-
New Hampshire	1,496	4,214	-	-
New Jersey.....	5,373	6,644	-	-
New Mexico	1,022	3,640	-	-
New York	14,603	24,398	-	-
North Carolina	35,789	46,227	-	-
North Dakota.....	1,051	1,202	-	-
Ohio	23,533	29,970	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Oklahoma	2,603	15,825	-	-
Oregon	18,427	17,004	-	-
Pennsylvania	31,692	30,407	-	-
Puerto Rico.....	7,477	5,659	-	-
Rhode Island	2,497	1,004	-	-
South Carolina	30,562	29,755	-	-
South Dakota	2,357	5,201	-	-
Tennessee	31,829	22,061	-	-
Texas	34,060	55,753	-	-
Utah	44,469	36,595	-	-
Vermont	3,021	2,968	-	-
Virgin Islands	1,590	4,156	-	-
Virginia	53,740	45,726	-	-
Washington	29,417	41,433	-	-
West Virginia	5,432	11,037	-	-
Wisconsin.....	6,963	10,687	-	-
Wyoming	7,141	6,240	-	-
Marshall Islands.....	355	1,160	-	-
Distribution Unknown	-	-	*	-
Obligations	912,761	1,092,449	*	-
Lapsing Balances.....	35,151	337	-	-
Bal. Available, EOY		21,068	*	-
Total, Available	947,912	1,113,854	*	-

*Obligations not able to be determined at this time

Table RHS-8. Geographic Breakdown of Obligations for SFHD Native American Relending Pilot Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	\$1,000	\$876	-	-
Hawaii	2,400	1,646	-	-
Michigan	500	701	-	-
Minnesota	800	-	-	-
Montana	1,000	-	-	-
New Mexico	800	-	-	-
Oklahoma	-	876	-	-
Oregon	-	526	-	-
South Dakota	1,521	-	-	-
Wisconsin.....	1,000	875	-	-
Distribution Unknown	-	-	*	-
Obligations	9,021	5,500	*	-
Lapsing Balances.....	-	-	-	-
Total, Available	9,021	5,500	*	-

*Obligations not able to be determined at this time

Table RHS-9. Geographic Breakdown of Obligations for Sec 502 SFH Guaranteed Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$324,197	\$351,760	-	-
Alaska	25,370	16,990	-	-
Arizona	120,168	107,058	-	-
Arkansas.....	286,799	300,069	-	-
California	95,109	55,264	-	-
Colorado	32,602	23,621	-	-
Connecticut	16,124	9,104	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Delaware	24,615	10,427	-	-
Florida	172,152	140,964	-	-
Georgia	263,926	235,004	-	-
Guam	2,005	606	-	-
Hawaii	20,574	10,046	-	-
Idaho	36,641	21,702	-	-
Illinois	134,367	125,185	-	-
Indiana	316,098	281,355	-	-
Iowa	114,351	99,558	-	-
Kansas	97,823	96,082	-	-
Kentucky	235,849	220,068	-	-
Louisiana	425,122	407,249	-	-
Maine	75,038	69,669	-	-
Maryland	130,567	102,165	-	-
Massachusetts	14,308	9,254	-	-
Michigan	199,474	147,539	-	-
Minnesota	107,537	83,755	-	-
Mississippi	226,665	215,287	-	-
Missouri	382,160	358,359	-	-
Montana	20,495	21,937	-	-
Nebraska	44,835	40,773	-	-
Nevada	18,821	7,369	-	-
New Hampshire	11,928	5,151	-	-
New Jersey	25,628	18,770	-	-
New Mexico	23,998	15,102	-	-
New York	45,261	39,831	-	-
North Carolina	275,897	265,609	-	-
North Dakota	27,555	23,635	-	-
Ohio	245,828	229,387	-	-
Oklahoma	162,813	180,282	-	-
Oregon	80,058	56,707	-	-
Pennsylvania	207,187	194,936	-	-
Puerto Rico	188,608	166,139	-	-
Rhode Island	1,208	221	-	-
South Carolina	203,359	190,296	-	-
South Dakota	53,497	43,992	-	-
Tennessee	365,198	330,503	-	-
Texas	260,125	309,733	-	-
Utah	69,899	33,815	-	-
Vermont	7,424	4,962	-	-
Virgin Islands	126	-	-	-
Virginia	250,265	195,857	-	-
Washington	42,365	27,670	-	-
West Virginia	139,311	110,130	-	-
Wisconsin	86,358	72,965	-	-
Wyoming	62,261	46,582	-	-
Distribution Unknown	-	-	\$14,368,559	\$25,000,000
Obligations	6,799,949	6,130,494	14,368,559	25,000,000
Lapsing Balances	23,200,051	-	4,500,947	-
Bal. Available, EOY	-	18,869,506	25,000,000	25,000,000
Total, Available	30,000,000	25,000,000	43,869,506	50,000,000

Table RHS-10. Geographic Breakdown of Obligations for Sec 504 Direct Loans, Very Low-Income Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$285	\$399	-	-
Alaska	20	76	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arizona	402	165	-	-
Arkansas	283	193	-	-
California	121	37	-	-
Colorado	54	34	-	-
Connecticut	-	20	-	-
Delaware	-	58	-	-
Florida	124	148	-	-
Georgia	216	48	-	-
Guam	-	277	-	-
Hawaii	29	15	-	-
Idaho	43	92	-	-
Illinois	672	833	-	-
Indiana	204	144	-	-
Iowa	290	242	-	-
Kansas	110	141	-	-
Kentucky	344	284	-	-
Louisiana	283	197	-	-
Maine	339	263	-	-
Maryland	9	-	-	-
Massachusetts	70	16	-	-
Michigan	1,019	839	-	-
Midway Islands	281	-	-	-
Minnesota	645	298	-	-
Mississippi	290	333	-	-
Missouri	-	299	-	-
Montana	94	72	-	-
Nebraska	137	126	-	-
Nevada	139	101	-	-
New Hampshire	181	79	-	-
New Jersey	63	37	-	-
New Mexico	63	16	-	-
New York	902	703	-	-
North Carolina	673	594	-	-
North Dakota	53	82	-	-
Ohio	403	369	-	-
Oklahoma	155	97	-	-
Oregon	248	354	-	-
Pennsylvania	457	356	-	-
Puerto Rico	44	20	-	-
Rhode Island	2	4	-	-
South Carolina	379	171	-	-
South Dakota	26	7	-	-
Tennessee	373	239	-	-
Texas	1,341	1,165	-	-
Utah	9	17	-	-
Vermont	234	204	-	-
Virginia	566	467	-	-
Washington	86	57	-	-
West Virginia	202	130	-	-
Wisconsin	263	177	-	-
Wyoming	11	21	-	-
Marshall Islands	105	128	-	-
Peru	-	22	-	-
Distribution Unknown	-	-	\$14,252	\$25,003
Obligations	13,342	11,266	14,252	25,003
Lapsing Balances	839	12,417	6,019	-
Total, Available	14,181	23,683	20,271	25,003

**Table RHS-11. Geographic Breakdown of Obligations for Sec 515 MFH Direct Loans
(thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$33,071	-	-	-
Arizona	940	-	-	-
Arkansas	824	-	-	-
Baker Island	-	-	-	-
California	2,129	\$8,704	-	-
Florida	2,916	-	-	-
Georgia	1,417	-	-	-
Illinois	845	-	-	-
Mississippi	13,401	-	-	-
Oregon	942	415	-	-
Pennsylvania	779	-	-	-
South Carolina	914	-	-	-
South Dakota	511	-	-	-
Washington	5,637	122	-	-
Wisconsin	5,674	-	-	-
Distribution Unknown	-	-	\$41,541	\$50,000
Obligations	70,000	9,241	41,541	50,000
Bal. Available, EOY	-	50,759	56,319	73,685
Total, Available	70,000	60,000	97,860	123,685

**Table RHS-12. Geographic Breakdown of Obligations for Sec 538 MFH Guaranteed Loans
(thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$2,628	-	-	-
Alaska	2,865	-	-	-
California	19,841	\$19,064	-	-
Colorado	-	5,000	-	-
Florida	3,100	-	-	-
Georgia	-	7,588	-	-
Idaho	11,100	-	-	-
Illinois	1,216	450	-	-
Indiana	17,098	-	-	-
Kansas	14,865	4,231	-	-
Louisiana	4,575	-	-	-
Maryland	1,071	-	-	-
Michigan	1,590	3,595	-	-
Minnesota	-	16,310	-	-
Mississippi	1,450	2,381	-	-
Nevada	-	1,400	-	-
New York	500	-	-	-
North Carolina	20,497	22,832	-	-
Ohio	-	672	-	-
Oklahoma	1,000	4,260	-	-
Pennsylvania	1,200	-	-	-
South Carolina	57,700	54,550	-	-
Tennessee	-	31,845	-	-
Texas	771	3,305	-	-
Utah	1,384	1,100	-	-
Washington	2,000	3,300	-	-
West Virginia	1,155	42,852	-	-
Distribution Unknown	-	-	\$220,158	\$400,000
Obligations	167,606	224,735	220,158	400,000
Lapsing Balances	232,394	175,265	179,842	-
Total, Available	400,000	400,000	400,000	400,000

Table RHS-13. Geographic Breakdown of Obligations for Sec 523 Land Development Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Lapsing Balances.....	-	\$4,534	\$3,697	-
Total, Available	-	4,534	3,697	-

Table RHS-14. Geographic Breakdown of Obligations for Sec 524 Direct Site Dev Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Minnesota	\$2,000	-	-	-
North Carolina	-	\$113	-	-
Distribution Unknown	-	-	\$1,124	-
Obligations	2,000	113	1,124	-
Lapsing Balances.....	-	5,933	4,346	-
Total, Available	2,000	6,046	5,470	-

Table RHS-15. Geographic Breakdown of Obligations for SFH Credit Sales Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Distribution Unknown	-	-	\$147	\$10,000
Obligations	-	-	147	10,000
Lapsing Balances.....	\$10,000	\$10,000	9,853	-
Total, Available	10,000	10,000	10,000	10,000

Table RHS-16. Geographic Breakdown of Obligations for Sec 514 FLH Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arkansas.....	\$60	-	-	-
California	-	\$132	-	-
Colorado	-	923	-	-
Florida	-	7,729	-	-
Washington	-	420	-	-
Distribution Unknown	-	-	\$15,093	\$14,093
Obligations	60	9,204	15,093	14,093
Bal. Available, EOY	57,385	40,939	39,025	48,459
Total, Available	57,445	50,143	54,118	62,552

Table RHS-17. Geographic Breakdown of Obligations for Sec 516 FLH Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
California	-	\$1,189	-	-
Colorado	\$250	1,028	-	-
Florida	-	4,489	-	-
New Jersey.....	329	-	-	-
Oregon	-	956	-	-
Washington	-	3,780	-	-
Distribution Unknown	-	-	\$12,203	\$12,856
Obligations	579	11,442	12,203	12,856
Bal. Available, EOY	23,738	23,878	25,619	23,842
Total, Available	24,317	35,320	37,822	36,698

Table RHS-18. Geographic Breakdown of Obligations for MFH Preservation Revitalization Zero Interests Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Indiana	\$3,065	-	-	-
Distribution Unknown	-	-	\$6,769	\$11,835
Obligations	3,065	-	6,769	11,835
Bal. Available, EOY	3,088	\$3,567	25,972	30,597
Total, Available	6,153	3,567	32,741	42,432

Table RHS-19. Geographic Breakdown of Obligations for MFH Preservation Revitalization Soft Second Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Louisiana	\$3,080	-	-	-
Distribution Unknown	-	-	\$26,124	\$17,656
Obligations	3,080	-	26,124	17,656
Bal. Available, EOY	-	\$14,759	5,713	-
Total, Available	3,080	14,759	31,837	17,656

Table RHS-20. Geographic Breakdown of Obligations for MFH Preservation Revitalization Grants/Modifications/Deferrals (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$269	-	-	-
Indiana	32	-	-	-
Louisiana	568	-	-	-
Washington	6	-	-	-
Distribution Unknown	-	-	\$134	\$3,614
Obligations	875	-	134	3,614
Bal. Available, EOY	43,456	\$70,159	78,290	78,378
Total, Available	44,331	70,159	78,424	81,992

Table RHS-21. Geographic Breakdown of Obligations for GP MFH Preservation Revitalization Pilot Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Georgia	\$1,000	-	-	-
Maryland	2,000	-	-	-
Distribution Unknown	-	-	\$1,020	\$1,224
Obligations	3,000	-	1,020	1,224
Bal. Available, EOY	4,048	\$4,900	4,880	3,656
Total, Available	7,048	4,900	5,900	4,880

Table RHS-22. Geographic Breakdown of Obligations for Sec 502 SFH Direct Loans American Rescue Plan (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$12,224	-	-	-
Alaska	16,006	-	-	-
Arizona	16,778	-	-	-
Arkansas	5,677	-	-	-
California	96,263	-	-	-
Colorado	16,431	-	-	-
Connecticut	1,348	-	-	-
Delaware	13,457	-	-	-
Florida	20,513	-	-	-
Georgia	21,399	-	-	-
Guam	5,096	-	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Hawaii	3,806	-	-	-
Idaho	7,455	-	-	-
Illinois	8,040	-	-	-
Indiana	39,000	-	-	-
Iowa.....	12,067	-	-	-
Kansas.....	3,341	-	-	-
Kentucky	11,919	-	-	-
Louisiana	28,375	-	-	-
Maine	19,573	-	-	-
Maryland.....	6,990	-	-	-
Massachusetts	2,172	-	-	-
Michigan	18,408	-	-	-
Minnesota	9,811	-	-	-
Mississippi.....	18,122	-	-	-
Missouri	5,985	-	-	-
Montana	4,697	-	-	-
Nebraska	3,412	-	-	-
Nevada	5,541	-	-	-
New Hampshire	3,592	-	-	-
New Jersey.....	4,162	-	-	-
New Mexico	1,713	-	-	-
New York	12,890	-	-	-
North Carolina	38,696	-	-	-
Ohio	20,385	-	-	-
Oklahoma	3,544	-	-	-
Oregon	18,782	-	-	-
Pennsylvania	33,054	-	-	-
Puerto Rico.....	3,453	-	-	-
Rhode Island	732	-	-	-
South Carolina	42,865	-	-	-
South Dakota	1,452	-	-	-
Tennessee.....	33,853	-	-	-
Texas	33,025	-	-	-
Utah.....	17,935	-	-	-
Vermont	3,674	-	-	-
Virgin Islands	1,981	-	-	-
Virginia	34,856	-	-	-
Washington	20,625	-	-	-
West Virginia	6,454	-	-	-
Wisconsin.....	7,026	-	-	-
Wyoming	5,435	-	-	-
Marshall Islands.....	438	-	-	-
Distribution Unknown	-	-	-	-
Obligations	784,528	-	-	-
Lapsing Balances.....	22,457	-	-	-
Total, Available	806,985	-	-	-

Table RHS-23. Geographic Breakdown of Obligations for Sec 504 Direct Loans, Very Low American Rescue Plan (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arizona	\$15	-	-	-
Arkansas.....	60	-	-	-
Delaware	23	-	-	-
Florida	25	-	-	-
Idaho	1	-	-	-
Illinois	88	-	-	-
Indiana	123	-	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Iowa.....	39	-	-	-
Kansas.....	17	-	-	-
Kentucky	140	-	-	-
Louisiana	19	-	-	-
Maine	22	-	-	-
Michigan	187	-	-	-
Minnesota	102	-	-	-
Mississippi	2	-	-	-
Missouri	71	-	-	-
Nebraska	6	-	-	-
New Hampshire	33	-	-	-
New York	111	-	-	-
North Carolina	181	-	-	-
Oklahoma	3	-	-	-
Pennsylvania	55	-	-	-
Puerto Rico.....	10	-	-	-
South Carolina	29	-	-	-
South Dakota	24	-	-	-
Tennessee.....	54	-	-	-
Texas	80	-	-	-
Virginia	80	-	-	-
West Virginia	76	-	-	-
Wisconsin.....	28	-	-	-
Marshall Islands.....	60	-	-	-
Obligations.....	1,764	-	-	-
Lapsing Balances.....	65	-	-	-
Total, Available	1,829	-	-	-

CLASSIFICATION BY OBJECTS**Table RHS-24. Classification by Objects (thousands of dollars)**

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Other Objects:					
25.3	Other goods and services from Federal sources	\$412,254	\$412,254	\$412,254	\$412,254
41.0	Grants, subsidies, and contributions	87,132	127,320	*	58,702
	Total, Other Objects	499,386	539,574	*	470,956
99.9	Total, new obligations.....	499,386	539,574	*	470,956

*Obligations not able to be determined at this time.

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

The appropriations language follows (new language underscored):

Rental Assistance Program

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) of the Housing Act of 1949 or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, \$1,715,000,000 to remain available until September 30, 2027, 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* amounts made available under this heading shall be available for renewal of rental assistance agreements where the Secretary determines that a maturing loan for a project cannot reasonably be restructured with another USDA loan or modification and the project was operating with rental assistance under section 521 of the Housing Act of 1949: *Provided further, That* the Secretary may enter into rental assistance contracts in maturing properties with existing rental assistance agreements notwithstanding any provision of section 521 of the Housing Act of 1949, for a term of at least 10 years but not more than 20 years: *Provided further, That* any agreement to enter into a rental assistance contract under section 521 of the Housing Act of 1949 for a maturing property shall obligate the owner to continue to maintain the project as decent, safe, and sanitary housing and to operate the development in accordance with the Housing Act of 1949: *Provided further, That* upon request by an owner under section 514 or 515 of the Act, the Secretary may renew the rental assistance agreement for a period of 20 years or until the term of such loan has expired, subject to annual appropriations: *Provided further, That* any unexpended balances remaining at the end of such one-year agreements may be transferred and used for purposes of any debt reduction, maintenance, repair, or rehabilitation of any existing projects; preservation; and rental assistance activities authorized under title V of the Act: *Provided further, That* rental assistance provided under agreements entered into prior to fiscal year 2026 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 twelve consecutive months, if such project has a waiting list of tenants seeking such assistance or the project has rental assistance eligible tenants who are not receiving such assistance: *Provided further, That* such recaptured rental assistance shall, to the extent practicable, be applied to another farm labor multi-family housing project financed under section 514 or 516 of the Act: *Provided further, That* except as provided in the seventh proviso under this heading and notwithstanding any other provision of the Act, the Secretary may recapture rental assistance provided under agreements entered into prior to fiscal year 2026 for a project that the Secretary determines no longer needs rental assistance and use such recaptured funds for current needs.

LEAD-OFF TABULAR STATEMENT***Table RHS-25. Lead-Off Tabular Statement (In dollars)***

Item	Amount
Enacted, 2025	\$1,642,000,000
Change in Appropriation	+ 73,000,000
Budget Estimate, 2026.....	<u>1,715,000,000</u>

PROJECT STATEMENTS**Table RHS-26. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
Rental Assistance (Sec. 521) ..	\$1,487,926	\$1,608,000	\$1,642,000	\$1,715,000	+\$73,000	(1)
Subtotal	1,487,926	1,608,000	1,642,000	1,715,000	+73,000	
Total Adjusted Approp.....	1,487,926	1,608,000	1,642,000	1,715,000	+73,000	
Add back:						
Transfers In and Out, Rescissions	-	-	-34,000	-	+34,000	
Total Appropriation	1,487,926	1,608,000	1,608,000	1,715,000	+107,000	
Transfers In:						
Rural Business Programs	-	-	34,000	-	-34,000	
Total Transfers In	-	-	34,000	-	-34,000	
Recoveries, Other.....	9	3	4	4	+1	
Bal. Available, SOY.....	40,324	333	336	339	+4	
Total Available	1,528,259	1,608,336	1,642,339	1,715,344	73,004	
Bal. Available, EOY	-333	-336	-339	-344	-4	
Total Obligations	1,527,926	1,608,000	1,642,000	1,715,000	+73,000	

Table RHS-27. Project Statement on Basis of Obligations (thousands of dollars)

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.
Discretionary Obligations:					
Rental Assistance (Sec. 521)	\$1,527,926	\$1,608,000	\$1,642,000	\$1,715,000	+\$73,000
Subtotal Disc Obligations.....	1,527,926	1,608,000	1,642,000	1,715,000	+73,000
Total Obligations	1,527,926	1,608,000	1,642,000	1,715,000	+73,000
Add back:					
Balances Available, EOY:					
Rental Assistance (Sec. 521)	333	336	339	344	+4
Total Bal. Available, EOY	333	336	339	344	+4
Total Available	1,528,259	1,608,336	1,642,339	1,715,344	+73,004
Less:					
Total Transfers In.....	-	-	-34,000	-	+34,000
Recoveries, Other.....	-9	-3	-4	-4	-1
Bal. Available, SOY.....	-40,324	-333	-336	-339	-4
Total Appropriation	1,487,926	1,608,000	1,608,000	1,715,000	107,000

JUSTIFICATION OF CHANGES**Rental Assistance Program**

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

- (1) An increase of \$73,000,000 for the Rental Assistance Grants program (\$1,642,000,000 available in 2025).

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

The RA program has a portfolio of approximately 12,700 properties, as of the end of March 2025, across the U.S. The cost estimates for RA are developed using a projection tool that looks at usage at the property level of detail. The amount of funding utilized fluctuates based on the changes with tenants moving in and out of properties. In the portfolio, not all the properties have RA renewed every year and the amount of RA is based on what the properties need for the next 12 months. The obligations based on location will vary due to the size of the property and cost of living in an area.

Continued rural inflationary pressures seems to outpace the National inflation factor with the cost of services, goods and employment higher due to the lack of housing stock, competition and employment availability. For 2024, 94.28 percent of the properties in the portfolio had a rent increase with an average rent increase of \$71.92 per unit per month. In 2023, 89.6 percent of the properties had a rent increase with an average rent increase of \$54.30 per unit per month. This sums to a 2-year total increase of \$126.22 per unit, per month or \$1,514.64 per unit annually. The portfolio tenant demographics includes 92.13 percent (345,176 households) of very low- income tenants. Average incomes in the portfolio only increased an average of 7.4% in 2023 below the 8.4% year-over-year rental price growth as of May 2023, according to a Federal Reserve Bank of Dallas forecast that uses data from the federal government's consumer price index.

Decoupling RA is aligned with boosting the financial security of rural communities through access to affordable housing. However, working towards this objective in 2026, the agency will continue stakeholder engagement, develop program parameters to ensure preservation of affordable housing in rural communities, and work to increase program participation. Success will be measured by ensuring data integrity of all aspects of units maturing from the Section 515 or Section 514 portfolio.

In 2024, USDA obligated \$1.608 billion for renewing 212,630 units. From this total, the agency obligated \$504.5 million for 78,205 Elderly grants; \$1.027 billion across 125,859 Family grants; \$73.7 million for 8,079 Labor Housing grants; and \$3.0 million towards new construction of 487 units. The agency is expecting to obligate the total funding provided in the 2025 appropriations which will support renewals of approximately 280,000 of the 305,000 units of RA in 2025.

Congress granted the decoupling authority in the Consolidated Appropriations Act, 2024 for up to 1,000 units and this continued in the full year CR in 2025. Congress granted RD the ability to decouple RA from Section 514/515 loans for maturing properties as the primary strategy to preserve affordable housing for tenants while supporting rehabilitation and preservation of the portfolio. The 2026 Budget continues to request decoupling, the authority provided in the Consolidated Appropriations Act, 2024 for USDA's project-based RA to continue after a MFH

debt has been paid off, which is essential to facilitate preservation at scale across the Section 515 MFH portfolio. The 2026 Budget is also requesting this program to be available for two years. This will provide flexibility for supporting contracts that are due at the end of the beginning of the fiscal year when we are under a CR. Two-year funding will provide the Department with the availability of utilizing current funding for contract renewals needs in the beginning of the following fiscal year without lapse of funding that could potentially require the delay in meeting the Department's fiscal responsibility to the owners and any adverse impact to the tenants residing in Multifamily Housing Properties.

Funding requested in 2026 covers program cost increases due to inflation and increased rental housing costs. The funding requested in 2026 will renew approximately 280,000 units.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RHS-28. Geographic Breakdown of Obligations for Rental Assistance (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$51,296	\$47,265	-	-
Alaska	7,294	5,724	-	-
Arizona	21,560	20,848	-	-
Arkansas.....	29,214	25,835	-	-
California	149,086	182,029	-	-
Colorado	12,856	14,179	-	-
Connecticut	11,396	9,575	-	-
Delaware	6,857	10,183	-	-
Florida	65,471	89,808	-	-
Georgia.....	48,057	49,027	-	-
Hawaii	11,871	11,090	-	-
Idaho	20,327	16,730	-	-
Illinois	30,500	35,768	-	-
Indiana	26,800	22,128	-	-
Iowa.....	26,535	20,499	-	-
Kansas.....	13,911	12,468	-	-
Kentucky	31,471	29,154	-	-
Louisiana	63,568	58,204	-	-
Maine	45,001	38,441	-	-
Maryland.....	20,173	19,336	-	-
Massachusetts	12,789	12,977	-	-
Michigan	41,673	35,683	-	-
Minnesota	23,631	25,765	-	-
Mississippi.....	67,434	65,311	-	-
Missouri	24,022	33,416	-	-
Montana	7,344	8,646	-	-
Nebraska	6,932	6,316	-	-
Nevada	13,705	11,794	-	-
New Hampshire	15,484	14,299	-	-
New Jersey.....	13,019	9,441	-	-
New Mexico	22,521	21,882	-	-
New York	28,653	25,741	-	-
North Carolina	89,611	96,875	-	-
North Dakota.....	4,614	5,443	-	-
Ohio	36,851	34,021	-	-
Oklahoma	34,204	29,121	-	-
Oregon	32,154	35,373	-	-
Pennsylvania	36,719	38,584	-	-
Puerto Rico.....	22,136	28,003	-	-
Rhode Island	2,888	2,949	-	-
South Carolina.....	42,846	47,832	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
South Dakota	11,896	15,521	-	-
Tennessee	35,205	37,975	-	-
Texas	66,296	73,613	-	-
Utah	11,027	10,452	-	-
Vermont	10,140	9,685	-	-
Virgin Islands	5,963	7,395	-	-
Virginia	34,411	49,313	-	-
Washington	39,262	48,363	-	-
West Virginia	18,978	20,505	-	-
Wisconsin	18,072	21,225	-	-
Wyoming	4,200	6,187	-	-
Distribution Unknown	-	-	\$1,642,000	\$1,715,000
Obligations	1,527,926	1,608,000	1,642,000	1,715,000
Bal. Available, EOY	333	336	339	344
Total, Available	1,528,259	1,608,336	1,642,339	1,715,344

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

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
41.0	Grants, subsidies, and contributions	\$1,527,926	\$1,608,000	\$1,642,000	\$1,715,000
	Total, Other Objects	1,527,926	1,608,000	1,642,000	1,715,000
99.9	Total, new obligations	1,527,926	1,608,000	1,642,000	1,715,000

This page was intentionally left blank.

ACCOUNT 3: RURAL VOUCHER PROGRAM**LEAD-OFF TABULAR STATEMENT****Table RHS-30. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Enacted, 2025	\$48,000,000
Change in Appropriation	-48,000,000
Budget Estimate, 2026.....	-

PROJECT STATEMENTS**Table RHS-31. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimate d	Chg Inc. or Dec. Key
Discretionary Approp:					
Rural housing voucher program and administrative	\$48,000	\$48,000	\$48,000	--\$48,000	(1)
Subtotal	48,000	48,000	48,000	-	-48,000
Total Adjusted Approp	48,000	48,000	48,000	-	-48,000
Add back:					
Total Appropriation	48,000	48,000	48,000	-	-48,000
Recoveries, Other	4,062	3,387	3,814	\$3,400	-414
Rescinded Balances	-	-35,000	-12,358	-	+12,358
Bal. Available, SOY	21,987	36,591	9,260	-	-9,260
Total Available	74,049	52,978	48,716	3,400	-45,316
Bal. Available, EOY	-36,591	-9,260	-	-	-
Total Obligations	37,458	43,718	48,716	3,400	-45,316

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

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.
Discretionary Obligations:					
Rural housing voucher program and administrative	\$35,263	\$42,729	\$47,716	\$3,400	-\$44,316
Administrative Expenses (Exp Trfr to S&E)	2,196	989	1,000	-	-1,000
Subtotal Disc Obligations	37,458	43,718	48,716	3,400	-45,316
Total Obligations	37,458	43,718	48,716	3,400	-45,316
Add back:					
Balances Available, EOY:					
Vouchers	35,265	7,923	-	-	-
Vouchers Admis. Expenses	1,326	1,337	-	-	-
Total Bal. Available, EOY	36,591	9,260	-	-	-
Total Available	74,049	52,978	48,716	3,400	-45,316
Less:					
Recoveries, Other	-4,062	-3,387	-3,814	-3,400	+414
Rescinded Balances	-	35,000	12,358	-	-12,358
Bal. Available, SOY	-21,987	-36,591	-9,260	-	+9,260
Total Appropriation	48,000	48,000	48,000	-	-48,000

JUSTIFICATION OF CHANGES**Rural Housing Voucher**

(1) A decrease of \$48,000,000 for the Rural Voucher Program (\$48,000,000 available in 2025).

The agency is not requesting funding for the Rural Housing Voucher program in 2026.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**Table RHS-33. Geographic Breakdown of Obligations for Vouchers (thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$361	\$303	-	-
Alaska	41	51	-	-
Arizona	266	662	-	-
Arkansas.....	184	341	-	-
California	5	459	-	-
Colorado	302	593	-	-
Delaware	21	33	-	-
Florida	1,752	1,915	-	-
Georgia.....	1,185	1,249	-	-
Hawaii	33	33	-	-
Idaho	334	892	-	-
Illinois	1,205	1,035	-	-
Indiana	2,737	2,613	-	-
Iowa.....	1,006	865	-	-
Kansas.....	350	518	-	-
Kentucky	146	175	-	-
Louisiana	298	254	-	-
Maine	983	821	-	-
Maryland.....	34	25	-	-
Massachusetts	247	236	-	-
Michigan	4,986	7,273	-	-
Minnesota	1,188	1,134	-	-
Mississippi.....	206	264	-	-
Missouri	1,350	1,157	-	-
Montana	619	518	-	-
Nebraska	1,137	860	-	-
Nevada	41	30	-	-
New Hampshire	210	218	-	-
New Jersey.....	315	249	-	-
New Mexico	514	269	-	-
New York	1,226	1,179	-	-
North Carolina	218	1,566	-	-
North Dakota.....	377	350	-	-
Ohio.....	431	618	-	-
Oklahoma	147	146	-	-
Oregon	187	170	-	-
Pennsylvania	871	727	-	-
Puerto Rico.....	5	5	-	-
Rhode Island	9	15	-	-
South Carolina.....	826	1,294	-	-
South Dakota	1,612	1,512	-	-
Tennessee.....	493	1,112	-	-
Texas	2,080	4,242	-	-
Utah.....	58	41	-	-
Virgin Islands	104	46	-	-
Virginia	387	381	-	-
Washington	876	1,188	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
West Virginia	81	67	-	-
Wisconsin.....	3,167	2,975	-	-
Wyoming	54	51	-	-
Distribution Unknown	-	-	\$47,716	\$3,400
Obligations	35,263	42,729	47,716	3,400
Bal. Available, EOY	35,265	7,923	-	-
Total, Available	70,528	50,652	47,716	3,400

Table RHS-344. Geographic Breakdown of Obligations for Vouchers Administrative Expenses (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$2,196	\$989	-	-
Distribution Unknown.....	-	-	\$1,000	-
Obligations	2,196	989	1,000	-
Bal. Available, EOY	1,326	1,337	-	-
Total, Available.....	3,522	2,326	1,000	-

CLASSIFICATION BY OBJECTS

Table RHS-35. Classification by Objects (thousands of dollars)

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
25.3	Other goods and services from Federal sources ...	-	\$989	\$1,000	-
41.0	Grants, subsidies, and contributions.....	\$37,458	42,729	47,716	\$3,400
	Total, Other Objects	37,458	43,718	48,716	3,400
99.9	Total, new obligations.....	37,458	43,718	48,716	3,400

This page was intentionally left blank.

ACCOUNT 4: MUTUAL AND SELF-HELP HOUSING GRANTS**LEAD-OFF TABULAR STATEMENT****Table RHS-35. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Enacted, 2025	\$25,000,000
Change in Appropriation	-25,000,000
Budget Estimate, 2026.....	-

PROJECT STATEMENTS**Table RHS-36. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
Mutual and Self-Help Housing Grants	\$32,000	\$25,000	\$25,000	-	-\$25,000	(1)
Subtotal	32,000	25,000	25,000	-	-25,000	
Total Appropriation	32,000	25,000	25,000	-	-25,000	
Recoveries, Other	252	2,762	1,526	\$1,584	+59	
Bal. Available, SOY	9,478	1,381	182	-	-182	
Total Available	41,731	29,142	26,708	1,584	-25,124	
Bal. Available, EOY	-1,381	-182	-	-1,584	-1,584	
Total Obligations	40,350	28,960	26,708	-	-26,708	

Table RHS-37. Project Statement on Basis of Obligations (thousands of dollars)

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.	
Discretionary Obligations:						
Mutual and Self-Help Housing Grants	\$40,350	\$28,960	\$26,708	-	-\$26,708	
Subtotal Disc Obligations	40,350	28,960	26,708	-	-26,708	
Total Obligations	40,350	28,960	26,708	-	-26,708	
Add back:						
Balances Available, EOY:						
Mutual and Self-Help Housing Grants	1,381	182	-	\$1,584	+1,584	
Total Bal. Available, EOY	1,381	182	-	1,584	+1,584	
Total Available	41,731	29,142	26,708	1,584	-25,124	
Less:						
Recoveries, Other	-252	-2,762	-1,526	-1,584	-59	
Bal. Available, SOY	-9,478	-1,381	-182	-	+182	
Total Appropriation	32,000	25,000	25,000	-	-25,000	

JUSTIFICATION OF CHANGES**Mutual and Self-Help Housing Grants**

- (1) A decrease of \$25,000,000 for the Mutual Self-Help Housing (MSHH) Grants program (\$25,000,000 available in 2025).

The budget does not include funding for activity in section 523 mutual and self-help housing grants program, as the budget does not fund section 502 single family housing direct loans, and MSHH grants depend on 502 loans to be successful.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RHS-38. Geographic Breakdown of Obligations for Mutual and Self-Help Housing Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$401	\$1,412	-	-
Alaska	775	-	-	-
Arizona	3,997	-	-	-
Arkansas.....	815	789	-	-
California	8,550	6,250	-	-
Colorado	247	600	-	-
Delaware	940	-	-	-
District of Columbia.....	7,928	7,360	-	-
Florida	-	475	-	-
Hawaii	-	960	-	-
Idaho	744	-	-	-
Indiana	-	475	-	-
Louisiana	-	225	-	-
Maine	-	1,332	-	-
Maryland.....	533	-	-	-
Massachusetts	300	-	-	-
Mississippi.....	425	-	-	-
Missouri	366	-	-	-
Montana	509	737	-	-
New Mexico	63	821	-	-
New York	325	-	-	-
North Carolina	468	277	-	-
Oklahoma	784	-	-	-
Oregon	319	-	-	-
Pennsylvania	-	620	-	-
South Dakota	-	613	-	-
Tennessee.....	730	-	-	-
Texas	942	-	-	-
Utah	8,044	1,566	-	-
Virginia	422	-	-	-
Washington	1,655	3,869	-	-
West Virginia	71	-	-	-
Marshall Islands.....	-	580	-	-
Distribution Unknown	-	-	\$26,708	-
Obligations	40,350	28,960	26,708	-
Bal. Available, EOY.....	1,381	182	-	\$1,584
Total, Available	41,731	29,142	26,708	1,584

CLASSIFICATION BY OBJECTS**Table RHS-39. Classification by Objects (thousands of dollars)**

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Other Objects:					
41.0	Grants, subsidies, and contributions.....	\$40,350	\$28,960	\$26,708	-
	Total, Other Objects	40,350	28,960	26,708	-
99.9	Total, new obligations	40,350	28,960	26,708	-

This page was intentionally left blank.

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

The appropriations language follows (new language underscored):

Rural Housing Assistance Grants

For grants for very low-income housing repair made by the Rural Housing Service, as authorized by 42 U.S.C. 1474 \$20,000,000, to remain available until expended.

LEAD-OFF TABULAR STATEMENT**Table RHS-40. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Enacted, 2025	\$38,000,000
Change in Appropriation	-18,000,000
Budget Estimate, 2026.....	20,000,000

PROJECT STATEMENTS**Table RHS-41. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
Very Low-Income Housing Repair						
Grants	\$32,000	\$25,000	\$25,000	\$20,000	-\$5,000	(1)
Rural Housing Preservation Grants ..	16,000	10,000	10,000	-	-10,000	(2)
GP Protecting Animals with Shelter ..	3,000	3,000	3,000	-	-3,000	(3)
Subtotal.....	51,000	38,000	38,000	20,000	-18,000	
Supplemental Approp:						
Very Low-Income Housing Repair						
Grants Disaster (Div N)	55,700	-	-	-	-	
Rural Housing Preservation Grants						
Disaster (Div N).....	2,500	-	-	-	-	
Disaster Grants Administration						
Expenses (Div N)	1,800	-	-	-	-	
Subtotal.....	60,000	-	-	-	-	
Total Adjusted Approp.....	111,000	38,000	38,000	20,000	-18,000	
Total Appropriation	111,000	38,000	38,000	20,000	-18,000	
Balances Interchange	-	-2,560	-	-	-	
Recoveries, Other	2,966	3,165	2,279	2,332	+53	
Rescinded Balances	-	-28,000	-1,635	-	+1,635	
Bal. Available, SOY.....	31,723	83,255	40,967	-	-40,967	
Total Available	145,688	93,860	79,611	22,332	-57,279	
Bal. Available, EOY.....	-83,255	-40,967	-	-936	-936	
Total Obligations	62,433	52,893	79,611	21,396	-58,215	

Table RHS-42. Project Statement on Basis of Obligations (thousands of dollars)

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.
Discretionary Obligations:					
Very Low-Income Housing Repair Grants	\$31,886	\$28,003	\$25,974	\$21,396	-\$4,578
Rural Housing Preservation Grants	20,314	10,720	11,181	-	-11,181
GP Protecting Animals with Shelter	3,000	3,000	3,000	-	-3,000
Compensation for Construction Defects Grants	830	27	497	-	-497
Subtotal Disc Obligations	56,029	41,751	40,652	21,396	-19,255
Supplemental Obligations:					
Very Low-Income Housing Repair Grants					
Disaster (Div N).....	4,304	11,043	36,809	-	-36,809
Rural Housing Preservation Grants Disaster					
(Div N).....	300	100	2,150	-	-2,150
Disaster Grants Administration Expenses (Div					
N)	1,800	-	-	-	-
Subtotal Supp Obligations	6,404	11,143	38,959	-	-38,959
Total Obligations	62,433	52,893	79,611	21,396	-58,215
Add back:					
Balances Available, EOY:					
Rural Housing Preservation Grants	549	323	-	936	+936
Very Low-Income Housing Repair Grants	28,799	1,221	-	-	-
Compensation for Construction Defects Grants	310	497	-	-	-
Very Low-Income Housing Repair Grants					
Disaster (Div N).....	51,396	36,775	-	-	-
Rural Housing Preservation Grants Disaster					
(Div N).....	2,200	2,150	-	-	-
Total Bal. Available, EOY	83,255	40,967	-	936	+936
Total Available	145,688	93,860	79,611	22,332	-57,279
Less:					
Balances Interchange	-	2,560	-	-	-
Recoveries, Other	-2,966	-3,165	-2,279	-2,332	-53
Rescinded Balances	-	28,000	1,635	-	-1,635
Bal. Available, SOY.....	-31,723	-83,255	-40,967	-	+40,967
Total Appropriation	111,000	38,000	38,000	20,000	-18,000

JUSTIFICATION OF CHANGES**Rural Housing Assistance Grants**

- (1) A decrease of \$5,000,000,000 for the Very Low-Income Housing Repair Grants (Section 504) programs (\$25,000,000 available in 2025).

The funding for this program is essential because repair grants assist very-low-income elderly rural homeowners, aged 62 or older, needing critical home repairs. Recipients are unable to afford a loan and have no other means or access to funding. Grants up to \$7,500 are available to improve accessibility or to remove health and safety hazards. The lifetime total of grant assistance to any one household or one dwelling may not exceed ten percent of the national average area loan limit. Grants must be repaid to the government if the property is sold within three years. Although this program is limited in size, grants allow very low-income elderly homeowners on a fixed budget to remain at home and live independently. This program improves their quality of life by assuring a safe and functional environment. By providing these small grants, RHS secures decent, safe, and affordable housing for rural residents, which is a fundamental agency objective.

The agency obligated \$288.0 million across almost 2,900 grants in 2024. From this total, almost \$2.6 million went towards persistent poverty areas. The agency had five obligations totaling \$39,798 for Colonias grants, 10 obligations totaling \$97,097 for Indian Country grants, and ten obligations for underserved areas totaling \$81,128. The agency obligated funding across all fifty states, Puerto Rico, and Guam with approximately 42 percent of program obligations occurring in the: Texas, Alabama, Illinois, Kentucky, and Tennessee.

Separately, looking at Rural Disaster funding, the agency obligated just over \$11.0 million for this program across 401 grants. Kentucky received the most disaster funding from this program with over \$3.3 million in obligations.

Engagement with communities is one of the key tools that RD staff can use to help improve the lives of rural Americans; it helps connect the dots to ensure that resources are readily available to those who need them. One such example of this is an April 20, 2024, event in Arizona. Rural Development and the Cocopah Indian Tribe hosted a Program Services Day at the West Cocopah Reservation Community Center, where they invited Tribe members and Yuma County residents to learn and apply for the 504 Home Repair Loan and Grant program and other housing programs. Elsewhere in Arizona in late July 2024, Rural Development Single Family Housing staff were available at the Bullion Plaza building in Miami to inform and process homeowner applications for 504 Home Repair Loans and Grants. Homeowners from the area rural communities were invited to speak with specialists about available programs and submit applications.

The 2026 Budget request will provide approximately 1,937 grants to qualified organizations with funds to repair or rehabilitate housing occupied by very low- and low- income families in eligible rural areas. Support for this program will help elderly rural residents to keep their houses in sanitary conditions and eliminate health hazards. This also increases the equity in their properties. Elderly population is more vulnerable to changes in economic conditions as they have a fixed income.

- (2) A decrease of \$10,000,000 for the Rural Housing Preservation Grants (HPG) program (\$10,000,000 available in 2025).

The budget is not requesting funding for this program.

- (3) A decrease of \$3,000,000 for Rural Housing Assistance Grants, Protecting animals with Shelter.

The budget is not requesting funding for this program.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**Table RHS-43. Geographic Breakdown of Obligations for Very Low-Income Housing Repair Grants (thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$1,960	\$3,238	-	-
Alaska	83	91	-	-
Arizona	709	472	-	-
Arkansas	603	429	-	-
California	363	458	-	-
Colorado	198	189	-	-
Connecticut	53	58	-	-
Delaware	30	30	-	-
Florida	524	626	-	-
Georgia	416	319	-	-
Hawaii	31	29	-	-
Idaho	100	89	-	-
Illinois	1,298	2,108	-	-
Indiana	414	258	-	-
Iowa	647	465	-	-
Kansas	201	237	-	-
Kentucky	1,201	1,798	-	-
Louisiana	1,073	813	-	-
Maine	376	454	-	-
Maryland	70	57	-	-
Massachusetts	149	30	-	-
Michigan	1,666	1,249	-	-
Minnesota	372	327	-	-
Mississippi	2,522	936	-	-
Missouri	706	689	-	-
Montana	202	144	-	-
Nebraska	264	146	-	-
Nevada	134	52	-	-
New Hampshire	362	239	-	-
New Jersey	107	163	-	-
New Mexico	103	10	-	-
New York	1,394	1,172	-	-
North Carolina	1,760	1,158	-	-
North Dakota	152	124	-	-
Ohio	1,038	776	-	-
Oklahoma	326	306	-	-
Oregon	236	204	-	-
Pennsylvania	1,142	683	-	-
Puerto Rico	332	73	-	-
Rhode Island	30	27	-	-
South Carolina	969	396	-	-
South Dakota	39	28	-	-
Tennessee	958	1,258	-	-
Texas	3,392	3,284	-	-
Utah	15	32	-	-
Vermont	453	684	-	-
Virgin Islands	31	-	-	-
Virginia	1,209	521	-	-
Washington	211	122	-	-
West Virginia	603	429	-	-
Wisconsin	468	270	-	-
Wyoming	54	82	-	-
Marshall Islands	138	100	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Palau	-	70	-	-
Distribution Unknown	-	-	\$25,974	\$21,396
Obligations	31,886	28,003	25,974	21,396
Bal. Available, EOY	28,799	1,221	-	-
Total, Available	60,685	29,224	25,974	21,396

Table RHS-44. Geographic Breakdown of Obligations for Rural Housing Preservation Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$300	\$406	-	-
Alaska	125	-	-	-
Arizona	237	301	-	-
Arkansas	-	94	-	-
California	2,020	1,001	-	-
Colorado	200	-	-	-
Connecticut	65	42	-	-
Florida	423	270	-	-
Georgia	1,075	366	-	-
Illinois	538	267	-	-
Indiana	620	218	-	-
Iowa	163	130	-	-
Kansas	181	91	-	-
Kentucky	835	560	-	-
Louisiana	399	357	-	-
Maine	170	75	-	-
Maryland	380	224	-	-
Massachusetts	-	53	-	-
Michigan	496	317	-	-
Minnesota	285	-	-	-
Mississippi	693	230	-	-
Missouri	345	250	-	-
Montana	350	116	-	-
Nebraska	-	62	-	-
New Jersey	230	84	-	-
New Mexico	50	99	-	-
New York	537	294	-	-
North Carolina	1,285	460	-	-
North Dakota	150	85	-	-
Ohio	1,070	608	-	-
Oklahoma	-	173	-	-
Oregon	164	-	-	-
Pennsylvania	552	463	-	-
Puerto Rico	566	61	-	-
South Carolina	588	150	-	-
South Dakota	50	-	-	-
Tennessee	791	457	-	-
Texas	2,779	1,526	-	-
Utah	100	-	-	-
Vermont	250	127	-	-
Virginia	532	136	-	-
Washington	200	166	-	-
West Virginia	211	67	-	-
Wisconsin	236	281	-	-
Micronesia	75	50	-	-
Distribution Unknown	-	-	\$11,181	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Obligations	20,314	10,720	11,181	-
Bal. Available, EOY	549	323	-	\$936
Total, Available	20,863	11,043	11,181	936

Table RHS-45. Geographic Breakdown of Obligations for Protecting Animals with Shelter (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arizona	\$500	-	-	-
California	-	\$500	-	-
Florida	100	-	-	-
Hawaii	400	-	-	-
Kentucky	100	310	-	-
Maryland	400	-	-	-
Minnesota	100	-	-	-
Missouri	100	-	-	-
Nebraska	100	-	-	-
Nevada	305	-	-	-
New York	400	-	-	-
Ohio	400	-	-	-
Oregon	-	500	-	-
Rhode Island	-	500	-	-
Tennessee	95	-	-	-
Texas	-	500	-	-
Utah	-	390	-	-
Washington	-	300	-	-
Distribution Unknown	-	-	\$3,000	-
Obligations	3,000	3,000	3,000	-
Total, Available	3,000	3,000	3,000	-

Table RHS-46. Geographic Breakdown of Obligations for Compensation for Construction Defects (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	\$313	-	-	-
Maine	-	\$3	-	-
Ohio	-	23	-	-
Oklahoma	-	2	-	-
Utah	517	-	-	-
Distribution Unknown	-	-	\$497	-
Obligations	830	27	497	-
Bal. Available, EOY	310	497	-	-
Total, Available	1,140	524	497	-

Table RHS-47. Geographic Breakdown of Obligations for Very Low-Income Housing Repair Grants Disaster Division N (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	\$41	\$43	-	-
Arkansas	10	-	-	-
California	381	265	-	-
Florida	430	742	-	-
Guam	-	315	-	-
Hawaii	250	325	-	-
Illinois	3	-	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Kentucky	1,045	3,337	-	-
Minnesota	72	26	-	-
Montana	89	23	-	-
N. Mariana Islands	-	15	-	-
Nebraska	212	133	-	-
New Mexico	39	-	-	-
North Carolina	99	515	-	-
North Dakota	55	81	-	-
Oklahoma	-	53	-	-
Puerto Rico	616	2,816	-	-
South Carolina	664	1,601	-	-
South Dakota	-	9	-	-
Tennessee	111	592	-	-
Texas	107	-	-	-
Virgin Islands	71	112	-	-
Washington	10	15	-	-
West Virginia	-	25	-	-
Distribution Unknown	-	-	\$36,809	-
Obligations	4,304	11,043	36,809	-
Bal. Available, EOY	51,396	36,775	-	-
Total, Available	55,700	47,818	36,809	-

Table RHS-48. Geographic Breakdown of Obligations for Rural Housing Preservation Grants Division N (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
California	\$50	-	-	-
Kentucky	100	\$100	-	-
Puerto Rico	50	-	-	-
Tennessee	50	-	-	-
West Virginia	50	-	-	-
Distribution Unknown	-	-	\$2,150	-
Obligations	300	100	2,150	-
Bal. Available, EOY	2,200	2,150	-	-
Total, Available	2,500	2,250	2,150	-

Table RHS-49. Geographic Breakdown of Obligations for Rural Housing Preservation Grants Division N (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$1,800	-	-	-
Distribution Unknown	-	-	-	-
Obligations	1,800	-	-	-
Total, Available	1,800	-	-	-

CLASSIFICATION BY OBJECTS

Table RHS-50. Classification by Objects (thousands of dollars)

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Other Objects:					
25.3	Other goods and services from Federal sources ...	\$1,800	-	-	-
41.0	Grants, subsidies, and contributions	60,633	\$52,893	\$79,611	\$21,396
	Total, Other Objects	62,433	52,893	79,611	21,396
99.9	Total, new obligations	62,433	52,893	79,611	21,396

This page was intentionally left blank.

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

The appropriations language follows (new language underscored):

Rural Community Facilities Program Account (including transfer of funds)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by section 306 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act, \$1,250,000,000 for direct loans and \$650,000,000 for guaranteed loans: *Provided*, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the amounts made available under this heading.

LEAD-OFF TABULAR STATEMENT**Table RHS-51. Lead-Off Tabular Statement (In dollars)**

Item	Grants	Loan Level	Subsidy	Administrative Expenses
Enacted, 2025.....	\$17,000,000	\$1,639,285,714	\$11,080,000	\$1,000,000
Change in Appropriation	-17,000,000	+ 260,714,286	-11,080,000	-1,000,000
Budget Estimate, 2026	-	1,900,000,000	-	-

2026 USDA EXPLANATORY NOTES - RURAL HOUSING SERVICE

PROJECT STATEMENTS

Table RHS-52. Project Statement on Basis of Appropriations (thousands of dollars)

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	2025 Estimated PL	2025 Estimate d BA	2025 FTE	2026 Estimated PL	2026 Estimate d BA	2026 FTE	PL Inc. or Dec.	Chg Key	BA Inc. or Dec.	Chg Key	FTE Inc. or Dec.
Discretionary Approp:															
Community Facilities (CF) Direct Loans	\$2,800,000		-\$2,800,000	-	\$989,286	\$11,080	-	\$1,250,000	-	-	+\$260,714 (1)		-\$11,080 (7)		-
Community Facilities Guaranteed Loans	650,000	-	650,000	-	650,000	-	-	650,000	-	-	- (2)		-		-
Community Facilities Grants.....	-	-	4,000	\$4,000	4,000	4,000	-	-	-	-	-4,000 (3)		-4,000		-
Community Facilities Administrative Expenses	-	-	1,000	1,000	1,000	1,000	3	-	-	2	-1,000 (4)		-1,000		-1
Rural Community Development															
Initiative Grants	6,000	\$6,000	5,000	5,000	5,000	5,000	-	-	-	-	-5,000 (5)		-5,000		-
Tribal College Grants	10,000	10,000	8,000	8,000	8,000	8,000	-	-	-	-	-8,000 (6)		-8,000		-
GP Rural Hospitals Pilot.....	2,000	2,000	-	-	-	-	-	-	-	-	-		-		-
Community Facilities Grants CPF/CDS.	325,490	325,490	-	-	-	-	-	-	-	-	-		-		-
Subtotal	3,793,490	343,490	3,468,000	18,000	1,657,286	29,080	3	1,900,000	-	2	+242,714		-29,080		-1
Supplemental Approp:															
Community Facilities Grants (Div N) ...	25,300	25,300	-	-	-	-	-	-	-	-	-		-		-
Community Facilities Grants Disaster (Div N)	48,500	48,500	-	-	-	-	-	-	-	-	-		-		-
Administrative Expenses: CF Grants Disaster (Div N)	1,500	1,500	-	-	-	-	-	-	-	-	-		-		-
Subtotal	75,300	75,300	-	-	-	-	-	-	-	-	-		-		-
Offsetting Collections:															
Community Facilities Grants CPF/CDS from NEF	-	-	505,024	505,024	-	-	-	-	-	-	-		-		-
Subtotal	-	-	505,024	505,024	-	-	-	-	-	-	-		-		-
Total Adjusted Approp	3,868,790	418,790	3,973,024	523,024	1,657,286	29,080	3	1,900,000	-	2	+242,714		-29,080		-1
Add back:															
Transfers In and Out, Rescissions	-	-	-505,024	505,024	-989,286	-11,080	-	-	-	-	+989,286		+11,080		-
Total Appropriation.....	3,868,790	418,790	3,468,000	18,000	668,000	18,000	3	1,900,000	-	2	+1,232,000		-18,000		-1
Transfers In:															
Community Facilities Grants CPF/CDS from NEF	-	-	505,024	505,024	-	-	-	-	-	-	-		-		-
Rural Housing Insurance Fund 12X2081 (GP 1206)	-	-	-	-	564,821	6,326	-	-	-	-	-564,821		-6,326		-
Rural Electrification and Telecommunications 12X1230 (GP 1206)	-	-	-	-	357,143	4,000	-	-	-	-	-357,143		-4,000		-
Rural Business Programs 12X1902 (GP 1206)	-	-	-	-	67,321	754	-	-	-	-	-67,321		-754		-
Total Transfers In.....	-	-	505,024	505,024	989,286	11,080	-	-	-	-	-989,286		-11,080		-
Balances Interchange	-	-	1,000	1,000	-	-	-	-	-	-	-		-		-
Recoveries, Other	48,312	50,678	8,185	8,459	2,796	3,633	-	2,612	\$3,425	-	-184		-208		-
Rescinded Balances.....	-1,781	-1,781	-	-	-	-	-	-	-	-	-		-		-
Bal. Available, SOY	307,585	347,765	399,012	441,558	611,490	612,455	-	305,446	308,917	-	-306,044		-303,537		-

Total Available.....	4,222,906	815,452	4,381,221	974,041	2,271,572	645,168	3	2,208,058	312,342	2	-63,514	-	-332,826	-	-1
Lapsing Balances.....	-2,187,928		-2,688,146	-3,704	-488,166	-	-		-	-	+488,166		-		-
Bal. Available, EOY	-399,012	-441,558	-609,801	612,455	-305,446	308,917	-	-82,451	-86,735	-	+222,995		+222,182		-
Total Obligations.....	1,635,966	373,894	1,083,274	357,882	1,477,960	336,250	3	2,125,607	225,607	2	+647,646		-110,644		-1

[illegible]

2026 USDA EXPLANATORY NOTES - RURAL HOUSING SERVICE

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	2025 Estimated PL	2025 Estimated BA	FTE	2026 Estimated PL	2026 Estimated BA	FTE	PL Inc. or Dec.	BA Inc. or Dec.	FTE Inc. or Dec.
Subtotal Supp Oblig.....	26,820	26,820	11,420	11,420	37,047	37,047	-	-	-	-	-37,047	-37,047	-
Offsetting Collections:													
Community Facilities Grants													
CPF/CDS from NEF.....	-	-	57,775	57,775	143,754	143,754	-	222,044	222,044	-	+78,290	+78,290	-
Subtotal Offsetting Collections.	-	-	57,775	57,775	143,754	143,754	-	222,044	222,044	-	+78,290	+78,290	-
Total Obligations.....	1,635,966	373,894	1,083,274	357,882	1,477,960	336,250	3	2,125,607	225,607	2	+647,646	-110,644	-1
Add back:													
Lapsing Balances.....	2,187,928	-	2,688,146	3,704	488,166	-	-	-	-	-	-488,166	-	-
Balances Available, EOY:													
Community Facilities Direct Loans	-	19	-	19	-	-	-	-	-	-	-	-	-
Community Facilities Guaranteed													
Loans	-	2,361	-	2,635	-	3,471	-	-	4,284	-	-	+813	-
Modification Cost	-	40,167	-	-	-	-	-	-	-	-	-	-	-
Community Facilities Grants.....	662	662	706	706	-	-	-	-	-	-	-	-	-
Community Facilities													
Administrative Expenses	-	-	985	985	1,255	1,255		1,000	1,000		-255	-255	
Rural Community Development													
Initiative Grants	458	458	110	110	-	-	-	-	-	-	-	-	-
Persistent Poverty Grants	168	168	-	-	-	-	-	-	-	-	-	-	-
Tribal College Grants	43	43	254	254	695	695	-	-	-	-	-695	-695	-
Economic Impact Initiative Grants	1,180	1,180	150	150	-	-	-	-	-	-	-	-	-
Disaster Relief Grants P.L. 116-20	1,991	1,991	1,027	1,027	-	-	-	-	-	-	-	-	-
Community Facilities Grants													
CPF/CDS	346,031	346,031	122,273	122,273	-	-	-	-	-	-	-	-	-
Community Facilities Grants (Div													
N).....	16	16	-	-	-	-	-	-	-	-	-	-	-
Community Facilities Grants													
Disaster (Div N)	48,463	48,463	37,047	37,047	-	-	-	-	-	-	-	-	-
Community Facilities Grants													
CPF/CDS NEF.....	-	-	447,249	447,249	303,495	303,495		81,451	81,451		-222,044	-222,044	-
Total Bal. Available, EOY.....	399,012	441,558	609,801	612,455	305,446	308,917	-	82,451	86,735	-	-951	-138	-
Total Available.....	4,222,906	815,452	4,381,221	974,041	2,271,572	645,168	3	2,208,058	312,342	2	-63,514	-332,826	-1
Less:													
Total Transfers In	-	-	-505,024	-505,024	-989,286	-11,080	-	-	-	-	+989,286	+11,080	-
Balances Interchange	-	-	-1,000	-1,000	-	-	-	-	-	-	-	-	-
Recoveries, Other	-48,312	-50,678	-8,185	-8,459	-2,796	-3,633	-	-2,612	-3,425	-	+184	+208	-
Rescinded Balances.....	1,781	1,781	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY	-307,585	-347,765	-399,012	-441,558	-611,490	-612,455	-	-305,446	-308,917	-	+306,044	+303,537	-
Total Appropriation.....	3,868,790	418,790	3,468,000	18,000	668,000	18,000	3	1,900,000	-	2	+1,232,000	-18,000	-1

JUSTIFICATION OF CHANGES**Rural Community Facilities Program**

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

- (1) An increase of \$260,714,000 in program level for the Direct Community Facility Loan program (\$989,286,000 available in 2025).

This program provides low-interest direct loans to public bodies, community-based nonprofit corporations, and Federally-recognized Tribes to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial, or business undertakings. The loan repayment terms may not be longer than the useful life of the facility, state statutes, the applicant's authority, or a maximum of 40 years, whichever is less.

The requested \$1.25 billion in lending will provide a robust funding level for 2026. In 2024, the agency obligated more than \$720.6 million in the Direct Community Facility (CF) Loan program; this includes just over \$12.2 million for eight persistent poverty obligations. The funding was obligated across 34 states and Puerto Rico. The agency obligated approximately \$120 million in Tennessee with South Carolina and Oklahoma receiving significant funding as well accounting for about one third of the program funds obligated in 2024. A rising interest rate environment coupled with supply chain and labor cost increases have affected funds requested under the Direct Program.

In Tennessee, the agency's largest investment is a \$24 million project for a municipal complex that includes a city hall, police station, and fire department for Paris, Tennessee. The new complex will replace an older, more outdated facility, and will allow for growth as Paris welcomes new residents and a growing tourist population. The current structure is ill-equipped to handle all city services and does not have sufficient office space for employees to work, but with the RD investment, it will solve these issues and allow for city services to be handled more efficiently. The 10,316 rural residents of Paris, Tennessee will benefit from this investment and it will be a welcome addition to their local government structure.

The agency continues to make robust investments in the Health Care and Social Assistance Industry in rural America to include improving their access to quality health care facilities. Almost half of the states received funding in this industry positively impacting states such as Oklahoma, who received a combined \$63.2 million in both direct loan and guaranteed loan funds to construct a hospital. The Cleveland Area Hospital Authority needed to replace a hospital in Cleveland, Oklahoma and this investment will provide funding to construct a 62,000 square foot facility. Constituents from multiple counties in Oklahoma will gain the benefits of this endeavor since the facility will be the primary medical facility in the area. In Illinois, RD awarded just over \$ 9.3 million to assist Midwest Medical Foundation in the remodel and expansion of the medical centers surgical department. This renovation project will provide the facility with additional pre- and post-surgical rooms and an operating room, as well as add new procedure and new endoscopy rooms, and storage space. Not only does this investment allow Midwest Medical Center to provide a more convenient experience for patients, but it takes into account support for future growth in medical services. This project will serve 29,942 individuals in Jo Daviess County, Illinois, the northernmost county in the state. Lastly, looking further West, RD invested almost \$29.8 million to provide the residents of Meagher County, Montana with a 46,438 square foot replacement hospital. The proposed twenty-five-bed facility will be utilized for acute and nursing home care. The replacement hospital's design utilizes a central circulation corridor that allows for easy wayfinding, overflow patient waiting, and separate public/patient departmental access. The goal of this project in Montana is to facilitate a shift to more outpatient-oriented care, replace the failing 70-year-old existing facility, and better serve

hardworking rural Americans. RD continues with its tradition of investing a substantial amount of funding to support America's rural communities through Educational Services. To continue to build for the future workforce, an investment of approximately \$34.4 million will be used to construct a Health Sciences facility with labs and classrooms for nursing students; this will be located on parcels of land owned by Juniata College in Huntingdon, Pennsylvania. Additionally, this facility will provide office space for health providers, allowing members of the Huntingdon, Pennsylvania community to access modern health care. Some of the funds from this project will also be used to provide additional financing for paying off existing debt. RD invested in North Carolina's Educational sector by awarding almost \$30 million in Community Facility Direct Loans to construct a school facility for Camden County. The new school will consist of 154,000 square feet to serve an estimated 800 students for high school and early college. The current building is not large enough to meet current and future needs, limiting enrollment capacity of the rapidly growing county. The proposed facility will include academic spaces, an early college program, media center, cafeteria, kitchen, athletic spaces, administrative offices, and building support spaces. The project will also assist with necessary site improvements consisting of a new athletic complex, visitor parking, earthwork and grading, utilities, stormwater management and landscaping. The proposed project will provide an innovative and state-of-the-art facility that will meet the current and future needs of students and the community.

A funding level of \$1.25 billion for the direct loan program will continue to strengthen rural communities across America to deliver this critical program to communities to meet infrastructure needs. The loan level is projected to meet anticipated demand and can be delivered with the existing staffing levels. Continued leveraging of financial resources from the capital credit markets and other funding partners will ensure this program's success. At this funding level in 2026 will support approximately 344 loans.

- (2) No change for the Guaranteed Community Facility Loan Program (\$650,000,000 available in 2025).

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

In 2024, the agency obligated just under \$45.0 million across seven obligations across seven states. Kansas received just over 48 percent of the program's obligation in 2024. The funding in Kansas will be used to help construct a new hospital facility in Colby, Kansas. However, the agency made additional investments in rural healthcare facilities in Oklahoma where funds will be used to construct a hospital to replace the current one in Cleveland, Oklahoma and in Louisiana where the RD investment will be used to expand and renovate acute care and emergency department.

RD invests in other infrastructure areas as well, such as in the education sector. In FY 2024, RD awarded a \$1 million loan guarantee to Kuleana Education to purchase its existing school property located in Kailua-Kona, Hawaii. In doing so, the school can continue to reach its students and support them in their intellectual, social and emotional growth. Moving forward in FY 2025, the agency made a \$780,000 loan guarantee investment in New Hampshire for Northeast Woodland Chartered Public School to purchase real estate that it rents in Conway, New Hampshire. This change will give administrators the autonomy to expand and improve the property without oversight from ownership. The publicly funded K-8 charter school was established in 2020 and has approximately 170 students primarily from Mount Washington Valley with a few students from western Maine. The school offers a Waldorf-inspired approach to education, with emphasis on learning through the use of the Mount Washington Valley's vibrant outdoors and abundant natural resources. The obligation rates for the Guaranteed CF

program this year were negatively affected by a rising interest rate environment coupled with supply chain and labor cost increases.

A funding level of \$650 million for the guaranteed loan program will continue to strengthen rural communities across America, delivering this critical program to communities to meet infrastructure needs.

- (3) A decrease of \$4,000,000 for the Community Facilities Grants program, (\$4,000,000 available in 2025).

Funding for this program is not requested in the budget. Community Facility Direct Loan funding is available to address community facility needs.

- (4) A decrease of \$1,000,000 for the Community Facilities Grants program administrative costs, (\$1,000,000 available in 2025).

Funding for this program is not requested in the budget. Community Facility Direct Loan funding is available to address community facility needs.

- (5) A decrease of \$5,000,000 for the Rural Community Development Initiative Grants program (\$5,000,000 available in 2025).

The budget does not include funding for the Rural Community Development Initiative Grants program.

- (6) A decrease of \$8,000,000 for the Tribal College Grants (\$8,000,000 available in 2025).

The budget does not include funding for the Tribal College Grants program.

- (7) A decrease of \$11,080,000 in budget authority for Community Facilities Direct Loan program (\$11,080,000 available in 2025).

In 2026, this program has a negative subsidy rate. Budget authority is not needed to support the program level requested.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table RHS-54. Geographic Breakdown of Obligations for Community Facilities Direct Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$7,214	\$13,000	-	-
California	100,726	55,632	-	-
Colorado	-	18,699	-	-
Delaware	24,160	-	-	-
Florida	646	2,575	-	-
Georgia.....	1,228	5,704	-	-
Hawaii	-	22,900	-	-
Idaho	1,285	-	-	-
Illinois	20,750	9,350	-	-
Indiana	1,950	-	-	-
Iowa.....	112,012	33,300	-	-
Kansas.....	35,764	-	-	-
Kentucky	2,500	391	-	-
Louisiana	54,510	35,459	-	-
Maine	1,781	377	-	-
Massachusetts	17,000	-	-	-
Michigan	11,194	29,392	-	-
Minnesota	34,182	6,049	-	-
Mississippi.....	7,717	10,779	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Missouri	82,309	10,679	-	-
Montana	23,567	32,150	-	-
Nebraska	941	13,962	-	-
Nevada	164	263	-	-
New Hampshire	200	-	-	-
New Jersey	9,342	1,391	-	-
New Mexico	812	-	-	-
New York	45,444	18,398	-	-
North Carolina	57,770	44,757	-	-
North Dakota	8,787	5,850	-	-
Ohio	74,561	12,789	-	-
Oklahoma	160	56,520	-	-
Oregon	1,135	-	-	-
Pennsylvania	109,858	54,614	-	-
Puerto Rico	9,473	1,726	-	-
South Carolina	67,533	67,190	-	-
South Dakota	5,737	705	-	-
Tennessee	65,568	120,713	-	-
Texas	125	6,785	-	-
Vermont	46,494	5,500	-	-
Virginia	18,005	2,186	-	-
Washington	-	4,970	-	-
West Virginia	16,607	15,065	-	-
Wisconsin	-	785	-	-
Distribution Unknown	-	-	\$990,975	\$1,250,000
Obligations	1,079,211	720,604	990,975	1,250,000
Lapsing Balances	1,720,789	2,079,396	-	-
Total, Available	2,800,000	2,800,000	990,975	1,250,000

Table RHS-55. Geographic Breakdown of Obligations for Community Facilities Guaranteed Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$48,715	-	-	-
Colorado	-	\$5,000	-	-
Florida	1,823	-	-	-
Hawaii	-	1,000	-	-
Illinois	5,000	-	-	-
Iowa	4,320	-	-	-
Kansas	-	21,650	-	-
Louisiana	8,084	5,000	-	-
Maine	1,688	-	-	-
Missouri	7,772	-	-	-
Montana	33,700	-	-	-
New York	3,500	4,590	-	-
North Carolina	5,150	-	-	-
Oklahoma	-	6,684	-	-
South Carolina	550	1,030	-	-
Tennessee	21,250	-	-	-
Vermont	1,164	-	-	-
Washington	40,146	-	-	-
Distribution Unknown	-	-	\$161,834	\$650,000
Obligations	182,861	44,954	161,834	650,000
Lapsing Balances	467,139	605,046	488,166	-
Total, Available	650,000	650,000	650,000	650,000

**Table RHS-56. Geographic Breakdown of Obligations for Community Facilities Grants
(thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$147	\$235	-	-
Alaska	-	47	-	-
Arkansas.....	9	245	-	-
California	-	197	-	-
Delaware	-	47	-	-
Florida	66	154	-	-
Georgia.....	587	17	-	-
Hawaii	-	100	-	-
Idaho	-	46	-	-
Illinois	210	92	-	-
Indiana	233	-	-	-
Iowa.....	95	47	-	-
Kansas.....	26	47	-	-
Kentucky	-	179	-	-
Louisiana	-	120	-	-
Maine	38	50	-	-
Maryland.....	90	47	-	-
Massachusetts	-	75	-	-
Michigan	203	136	-	-
Minnesota	145	74	-	-
Mississippi.....	-	47	-	-
Missouri	77	194	-	-
Montana	-	47	-	-
Nebraska	174	47	-	-
Nevada	-	39	-	-
New Hampshire	92	47	-	-
New Jersey.....	-	85	-	-
New York	253	238	-	-
North Carolina	287	97	-	-
North Dakota.....	-	290	-	-
Ohio	167	245	-	-
Oklahoma	-	147	-	-
Pennsylvania	511	198	-	-
Puerto Rico.....	-	98	-	-
Rhode Island	-	25	-	-
South Carolina.....	50	371	-	-
South Dakota	74	160	-	-
Tennessee.....	30	239	-	-
Texas	58	191	-	-
Utah	-	94	-	-
Vermont	54	440	-	-
Virginia	299	87	-	-
Washington	38	47	-	-
West Virginia	107	92	-	-
Wisconsin.....	-	47	-	-
Distribution Unknown	-	-	\$6,048	\$1,322
Obligations	4,120	5,561	6,048	1,322
Bal. Available, EOY.....	830	706	-	-
Total, Available	4,950	6,267	6,048	1,322

Table RHS-57. Geographic Breakdown of Obligations for Rural Hospital Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Maryland	\$2,000	-	-	-
Distribution Unknown	-	-	-	-
Obligations	2,000	-	-	-
Total, Available	2,000	-	-	-

Table RHS-58. Geographic Breakdown of Obligations for Rural Community Development Initiative Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$500	-	-	-
Arkansas	750	-	-	-
California	791	\$750	-	-
Delaware	-	254	-	-
Georgia	186	132	-	-
Iowa	150	150	-	-
Kansas	-	250	-	-
Kentucky	-	450	-	-
Maine	506	-	-	-
Maryland	939	873	-	-
Massachusetts	-	499	-	-
Michigan	500	-	-	-
Minnesota	278	-	-	-
Mississippi	50	-	-	-
Missouri	-	390	-	-
New York	500	700	-	-
Ohio	250	-	-	-
Puerto Rico	373	1,000	-	-
South Dakota	820	-	-	-
Tennessee	866	250	-	-
Vermont	-	550	-	-
Virginia	-	500	-	-
Washington	267	-	-	-
Distribution Unknown	-	-	\$5,564	\$428
Obligations	7,726	6,747	5,564	428
Bal. Available, EOY	458	110	-	-
Total, Available	8,183	6,857	5,564	428

Table RHS-59. Geographic Breakdown of Obligations for Tribal College Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	\$352	\$278	-	-
Arizona	702	556	-	-
Michigan	741	556	-	-
Minnesota	1,038	835	-	-
Montana	3,160	1,665	-	-
Nebraska	704	556	-	-
New Mexico	702	556	-	-
North Dakota	1,760	1,113	-	-
Oklahoma	662	278	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
South Dakota	1,056	835	-	-
Washington	319	278	-	-
Wisconsin.....	704	556	-	-
Distribution Unknown	-	-	\$7,646	\$765
Obligations	11,900	8,064	7,646	765
Bal. Available, EOY	43	254	695	-
Total, Available	11,943	8,318	8,341	765

Table RHS-60. Geographic Breakdown of Obligations for Community Facilities Disaster Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	\$31	-	-
Iowa.....	-	164	-	-
Kansas.....	-	100	-	-
Maryland.....	-	876	-	-
Minnesota	-	109	-	-
Mississippi.....	-	129	-	-
New York	-	40	-	-
North Carolina	-	95	-	-
Oklahoma	\$75	-	-	-
South Carolina.....	-	74	-	-
South Dakota	-	147	-	-
Tennessee.....	-	232	-	-
Virginia.....	-	318	-	-
Washington	-	270	-	-
Distribution Unknown	-	-	\$1,699	\$792
Obligations	75	2,584	1,699	792
Bal. Available, EOY	1,991	1,027	-	-
Total, Available	2,066	3,611	1,699	792

Table RHS-61. Geographic Breakdown of Obligations for Essential Community Technical and Training (TAT) Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	-	\$48	-	-
Maine	-	44	-	-
Michigan	-	150	-	-
Minnesota	-	80	-	-
New Hampshire	-	68	-	-
Tennessee.....	-	150	-	-
Distribution Unknown	-	-	-	-
Obligations	-	540	-	-
Total, Available	-	540	-	-

Table RHS-62. Geographic Breakdown of Obligations for Economic Impact Initiative Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	\$94	-	-
Arkansas.....	-	199	-	-

Illinois	-	174	-	-
Iowa.....	-	153	-	-
New York	-	260	-	-
North Carolina	-	200	-	-
Oklahoma	-	30	-	-
Pennsylvania	-	50	-	-
Texas	-	80	-	-
Distribution Unknown	-	-	\$392	-
Obligations	-	1,240	392	-
Bal. Available, EOY	\$1,180	150	-	-
Total, Available	1,180	1,389	392	-

Table RHS-63. Geographic Breakdown of Obligations for Community Facilities Community Project Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	375	-	-
Alaska	5,896	20,087	-	-
Arizona	1,100	4,440	-	-
California	4,548	-	-	-
Colorado	14,535	8,575	-	-
Connecticut	4,075	3,280	-	-
Delaware	1,038	-	-	-
Florida	-	3,885	-	-
Georgia	1,501	2,129	-	-
Guam	-	3,000	-	-
Hawaii	1,388	-	-	-
Idaho	7,814	3,900	-	-
Illinois	334	8,073	-	-
Iowa.....	1,500	-	-	-
Kentucky	-	300	-	-
Louisiana	-	3,713	-	-
Maine	6,473	16,882	-	-
Maryland.....	188	636	-	-
Massachusetts	-	1,053	-	-
Michigan	1,638	6,781	-	-
Minnesota	7,097	3,701	-	-
Mississippi.....	2,280	12,350	-	-
Missouri	-	1,425	-	-
N. Mariana Islands	1,636	-	-	-
Nebraska	-	1,000	-	-
Nevada	-	615	-	-
New Hampshire	591	5,706	-	-
New Jersey.....	9,915	330	-	-
New Mexico	10,659	3,054	-	-
New York	12,512	5,200	-	-
North Carolina	3,783	16,000	-	-
Ohio	4,180	6,439	-	-
Oregon	244	1,475	-	-
Pennsylvania	7,370	6,787	-	-
Rhode Island	307	7,275	-	-
South Carolina.....	1,913	703	-	-
Texas	-	10,202	-	-
Utah.....	-	1,000	-	-
Vermont	3,390	6,303	-	-
Virginia	818	617	-	-
Washington	5,213	3,386	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
West Virginia	182	11,268	-	-
Wisconsin.....	20,757	31,826	-	-
Distribution Unknown	-	-	122,273	-
Obligations	144,872	223,770	122,273	-
Bal. Available, EOY	346,031	122,273	-	-
Total, Available	490,903	346,043	122,273	-

**Table RHS-64. Geographic Breakdown of Obligations for Community Facilities
Administration Expenses (thousands of dollars, FTEs)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	FTE	2026 Estimated	FTE
Colorado	-	-	\$177	1	\$128	1
District of Columbia	-	\$15	197	-	-	-
Iowa	-	-	177	1	-	-
Nebraska	-	-	177	1	128	1
Obligations	-	15	729	3	255	2
Bal. Available, EOY	-	985	1,255	-	1,000	-
Total, Available	-	1,000	1,985	3	1,255	2

**Table RHS-65. Geographic Breakdown of Obligations for Community Facilities Grants
Division N (thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$537	-	-	-
Alaska	70	-	-	-
Arkansas.....	687	-	-	-
California	1,256	-	-	-
Colorado	60	-	-	-
Connecticut	163	-	-	-
Delaware	214	-	-	-
Florida	707	-	-	-
Georgia.....	440	-	-	-
Hawaii	56	-	-	-
Idaho	243	-	-	-
Illinois	322	-	-	-
Indiana	402	-	-	-
Iowa.....	956	-	-	-
Kansas.....	382	-	-	-
Kentucky	574	-	-	-
Louisiana	249	-	-	-
Maine	142	-	-	-
Maryland.....	492	-	-	-
Massachusetts	478	-	-	-
Michigan	1,959	-	-	-
Minnesota	609	-	-	-
Mississippi.....	801	-	-	-
Missouri	866	-	-	-
Montana	189	\$3	-	-
Nebraska	551	-	-	-
Nevada	50	-	-	-
New Hampshire	345	-	-	-
New Jersey.....	177	-	-	-
New Mexico	113	-	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
New York	707	-	-	-
North Carolina	690	-	-	-
North Dakota	359	-	-	-
Ohio	528	-	-	-
Oklahoma	1,879	-	-	-
Oregon	173	-	-	-
Pennsylvania	554	-	-	-
Puerto Rico.....	150	-	-	-
Rhode Island	177	-	-	-
South Carolina.....	919	-	-	-
South Dakota	356	-	-	-
Tennessee.....	855	-	-	-
Texas	1,180	-	-	-
Utah	86	-	-	-
Vermont	691	-	-	-
Virginia	596	-	-	-
Washington	215	-	-	-
West Virginia	362	-	-	-
Wisconsin.....	429	-	-	-
Wyoming	188	-	-	-
Micronesia.....	100	-	-	-
Distribution Unknown	-	-	-	-
Obligations	25,284	3	-	-
Bal. Available, EOY	16	-	-	-
Total, Available	25,300	3	-	-

Table RHS-66. Geographic Breakdown of Obligations for Community Facilities Disaster Grants Division N (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
California	-	\$900	-	-
Hawaii	-	282	-	-
Kentucky	\$37	30	-	-
Maryland.....	-	250	-	-
Minnesota	-	106	-	-
Missouri	-	40	-	-
New York	-	175	-	-
Oklahoma	-	247	-	-
Puerto Rico.....	-	3,314	-	-
South Carolina.....	-	4,600	-	-
South Dakota	-	353	-	-
Tennessee.....	-	1,120	-	-
Distribution Unknown	-	-	\$37,047	-
Obligations	37	11,416	37,047	-
Bal. Available, EOY	48,463	37,047	-	-
Total, Available	48,500	48,463	37,047	-

Table RHS-67. Geographic Breakdown of Obligations for Community Facilities Disaster Grants Division N Administrative Expenses (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	1,500	-	-	-
Obligations	1,500	-	-	-

Table RHS-68. Geographic Breakdown of Obligations for Community Facilities American Rescue Plan Act Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$3,884	-	-	-
Alaska	5,916	-	-	-
Arizona	9,938	-	-	-
Arkansas	368	-	-	-
California	2,000	-	-	-
Colorado	799	-	-	-
Delaware	1,836	-	-	-
Florida	2,781	-	-	-
Georgia	3,090	-	-	-
Idaho	1,000	-	-	-
Illinois	13,990	-	-	-
Indiana	1,188	-	-	-
Iowa	9,435	-	-	-
Kansas	790	-	-	-
Kentucky	5,000	-	-	-
Louisiana	1,912	-	-	-
Maine	521	-	-	-
Maryland	2,708	-	-	-
Massachusetts	3,193	-	-	-
Michigan	4,985	-	-	-
Minnesota	1,860	-	-	-
Mississippi	17,836	-	-	-
Missouri	8,414	-	-	-
Montana	1,276	-	-	-
Nebraska	4,666	-	-	-
New Jersey	2,551	-	-	-
New York	2,892	-	-	-
North Carolina	1,438	-	-	-
North Dakota	1,000	-	-	-
Ohio	11,041	-	-	-
Oklahoma	4,737	-	-	-
Oregon	1,067	-	-	-
Pennsylvania	233	-	-	-
Puerto Rico	803	-	-	-
Rhode Island	506	-	-	-
South Carolina	1,209	-	-	-
South Dakota	2,593	-	-	-
Tennessee	1,390	-	-	-
Texas	663	-	-	-
Vermont	3,000	-	-	-
Virginia	10,969	-	-	-
Washington	2,255	-	-	-
Wisconsin	2,000	-	-	-
Wyoming	1,540	-	-	-
Obligations	161,270	-	-	-
Lapsing Balances	-	\$3,704	-	-
Total, Available	161,270	3,704	-	-

Table RHS-69. Geographic Breakdown of Obligations for Community Facilities American Rescue Plan Act Grants Administrative Expenses (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$8,150	-	-	-
Obligations	8,150	-	-	-
Total, Available	8,150	-	-	-

Table RHS-70. Geographic Breakdown of Obligations for Community Facilities American Rescue Plan Act Grants Technical Assistance (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$6,961	-	-	-
Obligations	6,961	-	-	-
Total, Available	6,961	-	-	-

Table RHS-71. Geographic Breakdown of Obligations for Community Facilities Community Projects NEF (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	\$1,500	-	-
Alaska	-	8,148	-	-
California	-	1,500	-	-
Colorado	-	1,000	-	-
Illinois	-	3,500	-	-
Iowa.....	-	2,909	-	-
Maine	-	5,273	-	-
Michigan	-	1,448	-	-
Missouri	-	3,000	-	-
Nebraska	-	200	-	-
New Hampshire	-	1,000	-	-
New Mexico	-	605	-	-
New York	-	6,650	-	-
North Carolina	-	3,972	-	-
Ohio	-	2,606	-	-
Tennessee.....	-	2,513	-	-
Utah.....	-	468	-	-
Virginia.....	-	801	-	-
Washington	-	5,038	-	-
West Virginia	-	3,644	-	-
Wisconsin.....	-	2,000	-	-
Distribution Unknown	-	-	\$143,754	\$222,044
Obligations	-	57,775	143,754	222,044
Bal. Available, EOY.....	-	447,249	303,495	81,451
Total, Available	-	505,024	447,249	303,495

CLASSIFICATION BY OBJECTS**Table RHS-72. Classification by Objects (Discretionary) (thousands of dollars)**

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Personnel Compensation:					
	Washington D.C.	-	-	-	-
	Personnel Compensation, Field.....	-	-	\$371	\$255
11	Total personnel compensation	-	-	371	255
12	Personal benefits.....	-	-	161	-
13.0	Benefits for former personnel.....	-	-	-	-
	Total, personnel comp. and benefits.....	-	-	532	255
Other Objects:					
21.0	Travel and transportation of persons.....	-	\$15	197	-
25.3	Other goods and services from Federal sources...	\$1,500	-	-	-
41.0	Grants, subsidies, and contributions	196,013	357,867	335,521	225,351
	Total, Other Objects.....	197,513	357,882	335,718	225,351
99.9	Total, new obligations	197,513	357,882	336,250	225,607

This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

Table RHS-73. Classification by Objects (Mandatory) (thousands of dollars)

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Other Objects:					
25.3	Other goods and services from Federal sources	\$15,111	-	-	-
41.0	Grants, subsidies, and contributions.....	161,270	-	-	-
	Total, Other Objects.....	176,381	-	-	-
99.9	Total, new obligations.....	176,381	-	-	-

This page was intentionally left blank.

STATUS OF PROGRAMS

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

Single Family Housing Programs

The RHS administers Single Family Housing (SFH) programs that provide loans, grants, and loan guarantees to finance the construction, purchase, and repair of single-family homes that enable very low-, low-, and moderate-income individuals and families to live in decent, safe, sanitary, and affordable housing.

Current Activities

In 2024, RHS supported 41,325 SFH loans, grants, and guarantees totaling \$7.31 billion in obligations.

Single Family Housing Guaranteed Loan Program

Under the Single-Family Housing Guaranteed Loan Program (SFHGLP), also known as the Section 502 Guaranteed Loan Program, RD guarantees mortgage loans made by qualified commercial lenders to eligible applicants to purchase new or existing dwellings, or new manufactured homes in rural areas. The program is designed to serve low- and moderate-income rural residents who have a steady income but are unable to obtain adequate housing through conventional financing. The mortgage guarantee substantially reduces the risk for lenders, encouraging them to make loans to rural residents who have only modest incomes and modest collateral. There are many benefits to the SFHGLP over a conventional mortgage, which include:

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

2024 data and demographics for SFHGLP

- **Total Obligations:** The total 2024 number of SFHGLP loans and obligations were as follows:
 - Total SFH Guaranteed loans combined: 32,543 loans with total program level obligations of \$6.1 billion including 56 refinanced loans totaling \$12.1 million.
 - After record obligations in 2020 and 2021, the continued increase in housing costs, rising interest rates, combined with limited inventory negatively affected this program in 2023 and 2024, which resulted in a considerable slowdown in obligation rates.
- **Race:** Composition of SFHGLP borrowers was 83.8 percent White with the remaining 16.2 percent either other races or not designated.
- **Gender:** Unlike the SFHGLP, males accounted for the SFHGLP borrowers at 58 percent.

In 2024, the Tribal obligations for the SFHGLP were approximately \$2.1 million across 13 loans; this funding was obligated across Alaska, Michigan, Minnesota, New York, Oklahoma, South Dakota, and Wyoming.

In March 2024, the agency announced that it was launching Policy Desk, an online tool to make it easier for lenders and stakeholders to provide feedback on proposed policy changes to the program. Guaranteed home loan customers and stakeholders can use the tool as a one-stop shop to review proposals and provide input before changes are implemented. The goal of this initiative is to enhance program efficiency, transparency, and engagement with customers and stakeholders. As a part of the announcement, the agency sought input on a new policy to revise servicing guidelines and simplify the mortgage recovery advance process ahead of the final rule on the program's special servicing options. This final rule was published in the Federal Register on August 15, 2024, (89 FR 66189) effective February 11, 2025. Additionally, in December 2024, the agency sought input on several documents on loan purposes to property and appraisal requirements.

The RHS Administrator announced that USDA approved an exemption to meet industry standards while ensuring rural homebuyers remain eligible for affordable financing under the SFHGLP on May 9, 2024. The exemption enables the agency to exclude real estate commission fees from the 6% cap on seller, or other interested party, concessions through the program. Seller concessions are funds from a seller to incentivize a buyer to purchase a home and may include funding toward the buyer's mortgage financing costs or loan closing costs. Under this exemption, the real estate commission fees paid by the seller on behalf of the homebuyer will be exempt from the cap on seller concessions. This update ensured that regardless of changes to real estate commission requirements, rural homebuyers would continue to be able to affordably access guaranteed home loans from the agency.

In South Jersey, a single mother was renting, while providing stability, increasingly felt like a barrier to where she really wanted to be. The constant rise in rental prices was chipping away at her sense of financial independence. On her way to work she passed by a vacant home and became determined to make it her own. With the help of agencies that works along side RD, she was able to navigate the homebuying process and signed a loan for her new house. After the process was complete, she said that it was easier than buying a car because of the realtor's level of attention to detail and clear communication. To her, the new place was a sanctuary built on determination, support, and teamwork. "I wouldn't have been able to make my dream a reality without the USDA Guaranteed Program," the homeowner said.

RD remains committed to assisting borrowers impacted by disasters and understands that some may experience unique and unparalleled circumstances in their hardships. After the magnitude and devastation of Hurricane Helene, RD published reminders for services of the guidance for servicing accounts for those in Presidentially Declared Disaster (PDD) areas. There are several relief measures holders and/or loan services of RD mortgages should be implemented to assist RD borrowers. With a foreclosure suspension, a servicer suspends all foreclosure actions for 90 days for borrowers whose properties or places of employment were directly impacted. Forbearance options should be evaluated for borrowers in distress in a PDD; those impacted may be placed on a forbearance of up to 12 months to provide payment relief. Additionally, services must report appropriate default status codes and fully document their decisions when loss mitigation servicing options are implemented.

2024 data for all other SFH programs is provided on the table below:

Table RHS-74. Financial Data for Single Family Housing

SFH Program	Total Obligated (Dollars in Million)	Total Number of Loans or Grants
Sec. 504 Housing Repair Grants *	\$28.0	2,872
Sec. 504 Rural Disaster Housing Repair Grants	11.0	401
Sec. 504 Housing Repair Loans	11.3	1,201
Protecting Animals with Shelter Grants	3.0	1
Total	52.3	4,475

*While prior years might have experienced challenges in the Section 504 Housing Repair Grants program due to labor shortages and high cost of supplies, in 2024, the program received \$1.2 million in grant interchange funds and obligated 99.99% of their funds.

Multi-Family Housing Programs

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

Current Activities

In 2024, RD obligated \$1.61 billion in Rental Assistance, with remaining MFH programs obligated funding totaling \$73.6 million and providing 7,261 loans and grants as detailed in the following sections.

Section 538 MFH Guaranteed Rural Rental Housing Loan Program

On January 31, 2023, RD proposed to amend the current regulation for the Section 538 MFH Guaranteed Rural Rental Housing Program (88 FR 6209) and it became a final rule on March 19, 2024, (89 FR 19497). The rule is intended to align the current criteria of priority projects with the Housing Act of 1949, as amended. This change is expected to improve customer experience with more timely and proactive responses to housing market demands and Administration priorities. The changes in the rule are designed to increase the supply of affordable rural rental housing by using loan guarantees to encourage partnerships between the RHS, private lenders, and public agencies.

These projects represent a few of the agency's efforts in the SFH Guaranteed Section 538 loan portfolio. MFH Guaranteed obligated a total of \$224.7 million supporting 76 loans:

- RD awarded a \$1.4 million loan guarantee that will be used to assist in the construction of Pioche Apartments, a senior MFH complex in Pioche, Nevada. This project has a total of 24 one-bedroom and eight two-bedroom units.
- RD awarded a \$1.1 million guaranteed loan that will be used in the transfer, assumption, and rehabilitation of Ashley Valley Apartments, a family Section 515 MFH complex in Vernal, Utah. The project has a total of 32 two-bedroom units.
- One of the investments in Mississippi will be used in the transfer, assumption, and rehabilitation of Eastgate Apartments, also a family Section 515 MFH complex; this is in Belzoni, Mississippi. This \$950,000 project has a total of 16 one-bedroom units.

Rental Assistance

To maintain Section 515 Rural Rental Housing and Section 514 Farm Labor Housing loan portfolios, MFH obligated approximately \$1.6 billion in Rental Assistance (RA). This program provided assistance for 212,630 units. This rental subsidy maintains housing affordability for tenants, ensuring that rents do not exceed 30 percent of income. In addition to increasing household security, this assistance enables greater property and community stability in rural areas throughout the country. RA funding was used as follows in 2024: Elderly properties, 31 percent; family properties, 64 percent; labor housing, 5 percent, with some minimal funding going towards new construction for labor housing. The agency publishes its annual occupancy report for the closing year, in the first few calendar months of the next year. Based on the 2023 report, the average household income of tenants in 2023 was \$16,620; the average income of households receiving RA was \$13,696 in the Section 515 portfolio and the Farm Labor Housing income for RA is \$21,890. Race and ethnicity are broken out as follows:

- White, Non-Hispanic, 64.16 percent
- Black, Non-Hispanic, 20.48 percent
- Hispanic/Latino, 12.23 percent
- American Indian/Alaskan Native, 1.66 percent
- Asian, Pacific Islander, 0.69 percent
- Non-Designated/Multi-Racial, 0.78 percent.

Another notable fact from the 2023 Occupancy Report is that the Section 515 portfolio rental properties decreased by 127 properties to 12,438, meaning a decrease of 2,743 affordable apartment units. In the Farm Labor Housing portfolio, the number of rental properties decreased by 11, bringing the total down to 474 properties.

The agency received Decoupling Authority under Section 521 Rental Assistance through the Consolidated Appropriations Act, 2024. The authority provided up to 1,000 decoupled Rental Assistance units for naturally maturing mortgages during the fiscal year. More information on the ten applications received from owners with maturing mortgages to continue with the process is described in Section 515 funding.

Farm Labor Housing Program

Funding for Farm Labor Housing went to projects in California, Colorado, Florida, Oregon, and Washington. These investments go towards farm workers and their families. The RHS Administrator stated that the funding, “will provide safe, modern homes for those who work every day to feed our families, and it will create jobs for the tradesmen and women who work hard to build these homes.” Funds will be used to perform significant rehabilitation and improve the living conditions for current and future tenants to approximately 500 homes. Of the approximately \$9.7 million obligated in Florida, it went to several projects with a few using a loan/grant combination. At Orangewood Park, a family MFH complex in Vero Beach, Florida, the funds will tackle a project consisting of 40 two-bedroom, 50 three-bedroom, and 10 four-bedroom units. Elsewhere in Vero Beach, funds will be used at a MFH complex, Victory Park Apartments, a project that consists of rehabilitating and improving the living conditions for 40 two-bedroom, 50 three-bedroom, and 10 four-bedroom units. In Auburndale, funds will be used to rehabilitate New Horizons, a project that consists of 18 two-bedroom and 38 three-bedroom units. In Colorado, almost \$2 million in obligations went towards one project using a loan/grant combination in a persistent poverty county. The investment from RD will be used to rehabilitate 72 one-bedroom units at the Tierra Nueva Dormitory Center, a family MFH complex in Center, Colorado. In Washington, a combined \$4.2 million across loans and grants were awarded to go towards projects such as the rehabilitation of Washington Square Apartments, a family MFH complex in Wenatchee, Washington that consists of nine one-bedroom, 13 two-bedroom, 10 three-bedroom, and four four-bedroom units. Wenatchee II, another family MFH complex in Wenatchee, Washington will go through significant rehabilitation. This project consists of seven one-bedroom, 10 two-bedroom, 13 three-bedroom, and nine four-bedroom units. Lastly, funds will rehabilitate Heritage Glen, a family MFH complex in East Wenatchee, Washington; it consists of 16 one-bedroom, eight two-bedroom, nine three-bedroom, and two four-bedroom units.

Multi-Family Preservation and Revitalization Program

In 2024, the agency obligated roughly \$0.5 million for a modification deferral for a MFH revitalization loan pre-credit reform financing and liquidating for the MPR program. In addition, approximately \$0.5 million went towards loan modification reamortizations for maturing mortgages for Section 515 Rural Rental Housing and Section 514 Farm Labor Housing loans with Nebraska, Michigan, and California receiving the most funds. The Multi-Family Preservation and Revitalization obligations span across 19 states. The RD modification deferral investment of just under \$500,000 will be used to assist in the rehabilitation of Meridian Commons, a family multifamily housing complex in Portland, Indiana. The project of 10 one-bedroom and 10 two-bedroom units will go through significant rehabilitation and improve the living conditions for all the current and future tenants. When the agency published the latest funding announcement in September with a correction in October, it announced a combined notice for the Preservation and Revitalization program as well as the Section 515 Multifamily Direct Rural Rental Housing subsequent loan program to gain efficiencies in the announcement of funding, applications, and the selection process since both programs are designed to address preservation needs in the MFH portfolio. They hosted a workshop on the notice in October 2024.

Section 515 Rural Rental Housing Direct Loans

In 2024, RD obligated \$9.24 million helping to preserve 8 projects totaling 186 units in the Section 515 Rural Rental Housing Direct Loan program. The subsequent loans will address physical conditions that pose an exigent risk to tenant health and safety, accessibility improvements, and funding gaps in preservation transactions. As of early December 2024. Funding went to projects in California, Washington, and Oregon with California receiving approximately \$8.7 million of the funds.

The agency published a MPR and 515 preservation funding announcement in the Federal Register (89 FR 79229) on September 27, 2024, with applications due December 26, 2024. The funding round was oversubscribed by 40 percent. The agency is currently reviewing applications and awards are expected to be announced in early August. In the notice, \$27 million of Section 515 was made available. The demand is expected to be in excess of 200 applications and the funds available are projected to save an estimated 15 projects totaling 450 units.

The Section 515 program is historically over-subscribed, with projected preservation demand of the portfolio exceeding \$30 billion between December 2024 and 2050. There is currently approximately \$18.9 million in applications in the pipeline for preservation and sale-to-nonprofit activity. From the applications in the pipeline, it includes 11 applications for 371 units each with varying levels of readiness but projected for obligation in 2025. The sale-to-nonprofit process are owners that are eligible to prepay their 515 mortgage, thus terminating the 515 contract, and exiting the portfolio, but instead are choosing to sell their properties to a nonprofit, keeping the 515 mortgage and RA Contract in place. This is one of the tools available to extend the affordability period of an asset.

As an update on decoupling, as of December 2024, RD's MFH is reviewing ten applications totaling 191 units received from borrowers with maturing mortgages for decoupling with application packages expected to be sent to underwriting mid-December. If approved, the applications will be able to continue with their Section 521 RA Contract beyond the immediately pending Section 515 mortgage maturity. As of September 20, 2024, 13 borrowers, totaling 236 units, paid their mortgage in full and exited the Section 515 program and the remaining 12 borrowers, totaling 234 units, opted to utilize other preservation tools to include transfer of ownership and reamortization and will remain in the program. In 2024, 425 units, 64 percent of the total 661 units eligible to leave the Section 515 program, were preserved. Moving forward, as of December 2024 the MFH team is working to finalize the Stand-Alone Rental Assistance contract for use by owners participating in decoupling along with the 2025 notice to borrowers with maturing mortgages. MFH is currently determining the eligibility of the fifty borrowers and engaging directly with eight borrowers whose mortgages maturing during the Continuing Resolution period of October 1 through December 20, 2024.

The following table provides financial data for all MFH programs:

Table RHS-75. Financial Data for Multi-Family Housing

Program	Total Obligated (Dollars in Million)	Total Number of Loans or Grants
Sec. 514 Direct Farm Labor Housing Loans	\$9.2	8
Sec. 515 Rural Rental Housing Loans	9.24	7
Sec. 516 Farm Labor Housing Grants	11.44	9
Sec. 515 MFH Revitalization and Preservation Loans	1.0	38
Rental Assistance	1,608.0	7,843
Total	1,638.9	7,905

Community Facilities Programs

The RHS administers Community Facilities (CF) programs that provide loans, grants, and guarantees to help rural communities build or improve essential community facilities and community infrastructure. Public bodies, non-profit organizations, and federally recognized Indian Tribes can use these funds to construct, expand or improve facilities that provide health care, education, public safety, and public services. In addition, grants for disaster relief, technical assistance and training, and

community and economic development support rural communities in building long-term capacity and tackling urgent challenges such as disaster recovery.

Current Activities

These loans help ensure that rural areas enjoy the same basic quality of life and services as residents of urban areas. In 2024, CF programs supported 211 loans totaling \$765.6 million, as detailed in the following sections. Approximately 22.7 percent of funds for these loans/grants were made in distressed communities identified as having persistent poverty, low employment, and high population loss, this equates to over \$246 million in distressed obligations for CF programs. The following table provides financial data for CF grant funding:

The following table provides financial data for CF loan funding:

Table RHS-76. Financial Data for Community Facilities Loan Programs

Program	Total Obligations (Dollars in Millions)	Total Number of CF Loans
Direct Community Facilities Loans	\$720.6	204
Guaranteed Community Facilities Loans	45.0	7
Total	765.6	211

CF Loan Programs: In 2024, six lenders participated in the CF Guaranteed Loan Program with total guarantees ranging from \$5 million up to \$21.65 million. The program obligated nearly \$45 million in program level. In the CF Direct Loan program, the two industries with the largest investments, just over \$567 million in program level funds obligated in 2024 went to support health care and social assistance projects as well as educational services.

CF Funding for Health-Care-Related Improvements and Emergency Response Services: RD awarded \$10.5 million in Direct CF loans to complete the funding necessary to construct a hospital in Bethany, Missouri. The new facility will replace the existing hospital with 76,000 square-foot critical access hospital with a 14-bed acute care unit and swing-bed unit. The facility will have 10 private patient rooms, including one patient isolation room and two semi-private rooms. The emergency department will include two trauma/isolation rooms, three exam rooms, and triage rooms complimenting the emergency department. The new hospital will ensure the district is able to provide world-class healthcare services to the community. The RD Missouri State Director said, "While many rural hospitals throughout the country are closing, here in Missouri we are working with folks like the Harrison County Community Hospital District to keep rural- healthcare accessible and even expanding access. He further stated that, "USDA Rural Development strategically invests in areas and projects that oftentimes have limited financing options – so this couldn't be a better example of what we do".

The agency awarded just under \$14 million in Nebraska in direct loans; it will be used to construct a 33,040 square foot skilled nursing facility. The long-term care facility will have 34 private resident rooms and six semi-private residential rooms. This facility is being built to replace a much-needed service that ended in May 2022 due to COVID. The facility will primarily serve residents in Southwest Nebraska and Northeast Colorado.

RD invested \$21.65 million in a guaranteed loan to help Citizens Medical Center in Colby expand critical health care services and construct a hospital in Colby, Kansas. The facility serves Colby and Thomas County as well as northwestern Kansas. The new hospital facility will have the capacity for newer technology to better serve patients and improve convenience. The hospital has outgrown the current facility due to the services they offer. Both the hospital and the family practice clinic will be under one roof at the new facility; it will have all of the current services available plus some additional ones. The community broke ground on the 184,000 square-foot hospital and rural healthcare facility in November 2024. The current facilities will be repurposed. The RD Kansas State Director stated that, "USDA is committed to ensuring rural Americans have access to reliable quality health care, like that provided by Citizens Medical Center."

In Ohio, the agency awarded \$6.4 million to construct a fire station for the city of Loveland, in Loveland, Ohio. The proposed facility includes a 10,950 square foot station with three apparatus bays, two of which are pull-throughs. The existing station was built in 1973 and has exceeded its expected lifecycle. The proposed station is expected to provide more than 13,000 residents with a state-of-the-art facility that will improve fire protection and emergency first responder services.

Critical Community Facilities- Building and Upgrading Schools, Libraries, Public Safety Facilities, and Childcare Facilities:

- RD invested almost \$30 million in direct loans in North Carolina to construct a school facility for Camden County. The new school will consist of 154,000 square feet to serve an estimated 800 students for high school and early college. This facility will replace a much smaller building, which is limiting the enrollment capacity of the rapidly growing county. The proposed facility will include academic spaces, an early college program, media center, cafeteria, kitchen, athletic spaces, administrative offices, and support building spaces. The project will also assist with necessary site improvements consisting of a new athletic complex, visitor parking, earthwork and grading, utilities, stormwater management and landscaping. The proposed project will provide an innovative, state-of-the-art, sustainable facility that will meet the current and future needs of the district's students and community.
- In Hawaii, the agency awarded \$22 million in direct loans to assist Le Jardin Academy Inc., (LJA) a pre-kindergarten through grade 12 school in Kailua, to make significant campus renovations. The renovations will unite LJAs junior school and kindergarten programs on the main campus and construct a 21,000 square feet Innovation and Arts Center to build space for science, design, visual, and performing arts. The proposed Innovation and Arts Center will include a black box theater and classrooms for drama, choir, and design maker spaces. This project will construct three general and six specialty classrooms (two design tech, art, ceramics, and two science), a breakout meeting room, vertical transportation, restrooms, and a connector bridge to the existing high school building.
- In Minnesota, RD awarded a \$254,000 direct loan to purchase a snowplow truck and related equipment for Canton Township, a rural community of 653 residents located in Fillmore County. The current snowplow for Canton Township was purchased in 2013 using a CF loan, but it has reached the end of its life and should be replaced soon to ensure the proper maintenance of Canton Townships roads. The equipment will be used to plow 42.3 miles of road.
- The agency awarded a \$1 million direct loan to construct a 4,924 square foot childcare center in Alburgh, Vermont. The facility center will allow Alburgh Family Clubhouse Inc. to provide full-day, full-year, high-quality childcare, and early education for 62 children in five classrooms: 16 infants, 10 Toddlers, 18 Preschoolers and 18 K-5th grade school age children. The projected opening is in the first quarter of 2025. This project will create 16 new jobs and further address the state's childcare needs.
- In New York, RD invested a \$1.5 million direct loan to renovate the Warsaw Public Library in the town of Warsaw, which is located in Wyoming County, New York. This project will help ensure the town has adequate library facilities for the town's residents.

CF 2019 Disaster Grants: These grants support the disaster recovery efforts stemming from the Hurricanes Michael and Florence as well as 2019 tornados and floods. The Disaster Grants impact a population of nearly one million individuals and support public safety, health care, educational, and other essential community facilities. In Virginia, these grants addressing the impacts of Hurricane Michael went towards fire protection equipment, street maintenance equipment, and police cars to name a few. A \$100,000 grant was awarded to finance the purchase of replacement Self-Contained Breathing Apparatus for the Cople District Volunteer Fire Department. This equipment is essential for firefighter safety and operational efficiency as crews respond to calls in this low-income area of Westmoreland County. The department is dependent on donations, grants, and fundraisers to remain operational in a community of nearly 5,000 people. The grant funding identified for tornados, floods, and other went to a variety of assets such as, but not limited to, generators, police patrol cars,

emergency response vehicles, gear and safety equipment, repairing the heating and air conditioning units in buildings, and communications equipment. In Iowa, the agency awarded two grants that addressed their needs for warning sirens. One of those awards, a \$22,000 grant went to the city of Deloit to purchase an outdoor warning siren. The city lacked a functioning siren for several years. This project will install, test, and operate a new, omnidirectional siren to warn people of potential danger. This warning siren will aid in the safety of residents and visitors to this rural Crawford County community.

CF 2022 Disaster Grants: In California, RD invested \$225,000 to help the city of Ukiah purchase equipment to make essential road repairs. The community's roads were damaged by flooding in a series of storms that started December 2022 and lasted for about two weeks. The flooding left behind accumulated debris and caused significant erosion to roads and levees. This investment will help purchase a loader that will be used to fix these roads.

RD awarded a \$70,000 grant in Tennessee to replace a truck damaged by the 2022 winter storm disaster. The community has limited fire hydrants, and the water tanker truck is an important vehicle as it hauls water to the fire events. The freezing temperatures during this winter storm damaged the water tanker truck and the truck is now experiencing high maintenance costs and repairs causing undue financial hardship on the fire department. The replacement tanker truck will replace a 40-year-old vehicle that is not in National Fire Protection Association (NFPA) compliance. The project will benefit approximately 3,452 residents of Greene County.