

## 2027 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 .....	6
Account 1: Rural Housing Insurance Fund .....	9
Appropriations Language.....	9
Lead-Off Tabular Statement .....	10
Project Statements.....	11
Justification of Changes.....	13
Geographic Breakdown of Obligations .....	19
Object Classification.....	25
Legislative Proposals.....	25
Account 2: Rental Assistance.....	29
Appropriations Language.....	29
Lead-Off Tabular Statement .....	30
Project Statements.....	30
Justification of Changes.....	30
Geographic Breakdown of Obligations .....	32
Object Classification.....	33
Account 3: Rural Voucher Program.....	35
Appropriations Language.....	35
Lead-Off Tabular Statement .....	35
Project Statements.....	35
Justification of Changes.....	36
Geographic Breakdown of Obligations .....	36
Object Classification.....	37
Account 4: Mutual and Self-Help Housing Grants .....	39
Appropriations Language.....	39
Lead-Off Tabular Statement .....	39
Project Statements.....	39
Justification of Changes.....	39
Geographic Breakdown of Obligations .....	40
Account 5: Rural Housing Assistance Grants.....	41
Appropriations Language.....	41

Lead-Off Tabular Statement .....	41
Project Statements.....	41
Justification of Changes.....	42
Geographic Breakdown of Obligations .....	43
Object Classification.....	46
Account 6: Rural Community Facilities Program .....	47
Appropriations Language.....	47
Lead-Off Tabular Statement .....	48
Project Statements.....	49
Justification of Changes.....	51
Geographic Breakdown of Obligations .....	52
Object Classification.....	59
Status of Programs.....	61

**PREFACE**

This publication summarizes the fiscal year (FY) 2027 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2027 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 2024 and 2025; Working Families Tax Cut Act; Agriculture, Rural Development, Food and Drug Administration, and Related Agency Appropriations Act, 2026; and the President’s Budget request for 2027. Amounts for 2026 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 Working Families Tax Cut Act is used to refer to the Public Law 119-21.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2024, 2025, 2026 and 2027.

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 small non-zero amounts that do not round up to one (1). Due to rounding, some tables may not sum exactly.

**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 Single Family Housing (SFH) Guaranteed Loan Program (42 U.S.C. 1472(h)) — Authorized by Section 502(h) of the Housing Act of 1949 (P.L. 81-171), as amended, provides low- and moderate-income persons who will live in rural areas with an opportunity to own modest, decent, safe and sanitary dwellings and related facilities. RD guarantees mortgage loans made by qualified mortgage lenders to eligible applicants to build new dwellings or purchase existing homes, including new or existing 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.

Section 502 SFH Direct Loan Program (42 U.S.C. 1472) — Authorized by Section 502 of the Housing Act of 1949 (P.L. 81-171), as amended. RHS directly underwrites and services fixed-interest mortgage loans to low- and very low-income individuals and families who are unable to obtain credit elsewhere. Funds may be used to purchase, build, renovate, or repair a home, and to prepare a site, including providing water and sewage facilities. The program also provides “supervised credit,” including pre-loan and post-loan credit counseling, to borrowers to help them maintain their homes

during financial crises. Loans are subsidized at a graduated interest rate from one percent over Treasury's cost of money, depending on the applicant's income.

Section 504 SFH Housing Repair and Rehabilitation Loans and Grants Program (42 U.S.C. 1474) — Authorized by Section 504 of the Housing Act of 1949 (P.L. 81-171), as amended. 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 Section 523 of the Housing Act of 1949 (P.L. 81-171), as amended. This program provides two-year technical assistance grants to allow qualified nonprofit organizations and public entities to help very low- and low-income individuals and families work cooperatively to build their own homes by the self-help "sweat-equity" method or complete essential repairs for very low-income homeowners.

Section 523/524 SFH Rural Housing Site Loans (42 U.S.C. 1490c and 1490d) — Authorized by Sections 523 and 524 of the Housing Act of 1949, (P.L. 81-171), 523 loans are used to acquire and develop sites only for housing to be constructed by the Self-Help method. Section 524 loans are made to acquire and develop sites for low- or moderate- income families with no restriction as to the method of construction.

Section 533 Housing Preservation Grants (42 U.S.C. 1490m) — Authorized by Section 533 of the Housing Act of 1949, (P.L. 81-171) as amended. This program provides funds to eligible applicants to conduct housing preservation programs benefiting very low- and low-income rural residents. Such assistance will be used to reduce the cost of repair and rehabilitation, to remove or correct health or safety hazards, to comply with applicable development standards or codes, or to make needed repairs to improve the general living conditions of the residents, including improved accessibility by persons with a disability.

SFH Credit Sales Program — Authorized under provisions of the Housing Act 1949, (P.L. 81-171), as amended, 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 Section 515 of the Housing Act of 1949 (P.L. 81-171), as amended, 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 Sections 514 and 516 of the Housing Act of 1949 (P.L. 81-171), as amended. 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 Section 521(a)(2) of the Housing Act of 1949 (P.L. 81-171), as amended, 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 Section 538 of the Housing Act of 1949 (P.L. 81-171), as amended, 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. 1490r) — Authorized by Section 542 of the Housing Act of 1949 (P.L. 81-171), as amended. 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 — This program 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. 1926a) — Authorized under Section 306 of the Consolidated Farm and Rural Development Act (CONACT), as amended, 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) This program was created by Public Law 106-78 and Congress provides program guidance in the agency’s annual appropriation. The funds shall be used solely to develop the capacity and ability of private, nonprofit community-based housing and community development organizations, low-income rural communities, and Federally Recognized Native American Tribes to undertake projects to improve housing, community facilities, community and economic development projects in rural areas.

CF Tribal College Initiative Grants — Authorized under Section 306(a)(25) of the Consolidated Farm and Rural Development Act (CONACT), this program provides funding to 1994 Land Grant institutions (Tribal Colleges) to make capital improvements to their educational facilities and to purchase equipment.

CF Technical Assistance and Training Grants Program — Authorized under Section 306(a)(26) of the Consolidated Farm and Rural Development Act (CONACT), as amended. 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 Rural Business Cooperative Service. RD’s headquarters is in Washington, DC.

RD activities contribute to the success of USDA’s overall mission to provide leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on public policy, the best available science, and effective management. USDA is currently developing the FY 2026 – 2030 Strategic Plan. A detailed 2027 performance plan, including Key Performance Indicators, can be found at <https://www.usda.gov/our-agency/about-usda/performance>.

**OIG AND GAO REPORTS**

***Table RHS-1. Closed, Implemented OIG Reports***

<b>ID</b>	<b>Date Opened</b>	<b>Date Closed</b>	<b>Title</b>	<b>Result</b>
04801-0001-41	09/30/2021	1/24/2025	Rural Housing Service’s Uniform	OIG conducted an inspection to evaluate RD’s administration and oversight of RHS’s Uniform

ID	Date Opened	Date Closed	Title	Result
			Residential Loan Application Project	Residential Loan Application (URLA) Information Technology Report for 2016-2021. They reviewed laws and regulations, conducted interviews, oversight processes, and other documentation.

**Table RHS-2. Closed, Implemented GAO Reports**

ID	Date Opened	Date Closed	Title	Result
GAO-16-193	03/31/2016	02/19/2025	Rural Housing Service: Actions Needed to Strengthen Management of the Single-Family Mortgage Guarantee Program	Recommendation #8- To improve compliance with OMB Circular A-129 standards and strengthen management and oversight of the guarantee program, and to strengthen risk assessment and reporting, the Secretary of Agriculture should direct the Undersecretary for Rural Development to improve performance measures comparing RHS and the Federal Housing Administration loan performance, potentially by making comparisons on a cohort basis and limiting comparisons to loans made in similar geographic areas. RHS developed a report comparing RHS and Federal Housing Administration loan performance that accounts for several potential differences in the composition of the two agencies' loan portfolios. Beginning in March 2025, RHS plans to incorporate information from this report into the Monthly Program Performance Trends Report presented to the leadership team for RHS's Single Family Housing Guaranteed Loan Program.

**AVAILABLE FUNDS AND FTEs**

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

Item	2024 Actual	FTE	2025 Actual	FTE	2026 Estimated	FTE	2027 Estimated	FTE
RHIF:								
Discretionary Appropriations ...	\$573,184	-	\$566,858		\$608,362		\$604,884	-
Supplemental Appropriations ..	-	-	939		-	-	-	-
RA:								
Discretionary Appropriations ...	1,608,000	-	1,643,582		1,715,000		1,795,000	-
Vouchers:								
Discretionary Appropriations ...	48,000	-	48,000		48,000		-	-

2027 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE RURAL HOUSING SERVICE

Item	2024		2025		2026		2027	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
MSHH:								
Discretionary Appropriations ...	25,000	-	25,000	-	25,000	-	25,000	-
RHAG:								
Discretionary Appropriations ...	38,000	-	38,000	-	30,000	-	26,000	-
Supplemental Appropriations ..	-	-	47,208	-	-	-	-	-
CF:								
Discretionary Appropriations ...	18,000	-	29,080	4	677,161	2	-	-
Supplemental Appropriations ..	-	-	69,085	-	-	-	-	-
Offsetting Collections .....	505,024	-	-	-	-	-	-	-
Total Discretionary								
Appropriations .....	2,310,184	-	2,350,520	4	3,103,523	2	2,450,884	-
Total Supplemental								
Appropriations .....	-	-	117,232	-	-	-	-	-
Total Offsetting Collections .....								
	505,024	-	-	-	-	-	-	-
Total Adjusted Appropriation...								
	2,815,208	-	2,467,752	4	3,103,523	2	2,417,187	-
Balance Available, SOY .....	647,433	-	808,667	-	682,351	-	479,452	-
Balances Interchange .....	18,368	-	-3,487	-	-	-	-	-
Rescinded Balances .....	-63,000	-	-13,993	-	-	-	-	-
Recoveries, Other.....	28,679	-	31,742	-	16,043	-	14,136	-
Total Available .....								
	3,446,688	-	3,290,681	4	3,801,917	2	2,944,472	-
Lapsing Balances.....	-6,993	-	-3,181	-	-1,149	-	-	-
Balance Available, EOY .....	-808,667	-	-682,351	-	-479,452	-	-179,023	-
Total Obligations .....								
	2,631,028	-	2,605,149	4	3,321,316	2	2,765,449	-
Total Obligations, RHS .....								
	2,631,028	-	2,605,149	4	3,321,316	2	2,765,449	-
Total Available, RHS .....								
	3,446,688	-	3,290,681	4	3,801,917	2	2,944,472	-

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

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

- 1 Rural Housing Insurance Fund Program Account (including transfer of funds)
- 2 For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of
- 3 the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows:
- 4 ~~[\$1,000,000,000]~~\$983,168,000 shall be for section 502 direct loans; [~~\$5,000,000~~ shall be for a Single
- 5 Family Housing Relending demonstration program for Native American Tribes; and
- 6 ~~\$25,000,000,000]~~\$20,000,000,000, to remain available until September 30, 2028, shall be for
- 7 section 502 unsubsidized guaranteed loans; \$25,000,000 for section 504 housing repair loans;
- 8 \$50,000,000 for section 515 rental housing; [~~\$400,000,000]~~\$500,000,000 for section 538
- 9 guaranteed multi-family housing loans; and \$10,000,000 for credit sales of single family housing
- 10 acquired property; [~~\$5,000,000~~ for section 523 self-help housing land development loans;
- 11 ~~\$5,000,000~~ for section 524 site development loans;]and [~~\$15,000,000]~~\$15,001,000 for section 514
- 12 direct farm labor housing loans.
  
- 13 For the cost of direct loans, guaranteed loans, and grants, including the cost of modifying loans, as
- 14 defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 direct loans,
- 15 [~~\$130,600,000~~, of which \$32,650,000 shall remain available until September 30, 2027; Single Family
- 16 Housing Relending demonstration program for Native American Tribes, ~~\$2,125,000]~~\$130,663,000;
- 17 section 504 housing repair loans, [~~\$4,333,000]~~\$4,270,000; repair, rehabilitation, and new
- 18 construction of section 515 rental housing, [~~\$15,130,000]~~\$16,640,000, to remain available until
- 19 expended[; section 523 self-help housing land development loans, \$657,000; section 524 site
- 20 development loans, \$502,000]; section 514 farm labor housing loans, [~~\$4,761,000]~~\$5,057,000, to
- 21 remain available until expended; and farm labor housing grants, as authorized by section 516 of the
- 22 Housing Act of 1949 (42 U.S.C. 1484, 1486), \$6,000,000, to remain available until
- 23 expended: *Provided*, That to support the loan program level for section 538 guaranteed loans made
- 24 available under this heading the Secretary may charge or adjust any fees to cover the projected cost
- 25 of such loan guarantees pursuant to the provisions of the Credit Reform Act of 1990 (2 U.S.C. 661 et
- 26 seq.), and the interest on such loans may not be subsidized: *Provided further*, That applicants in
- 27 communities that have a current rural area waiver under section 541 of the Housing Act of 1949 (42
- 28 U.S.C. 1490q) shall be treated as living in a rural area for purposes of section 502 guaranteed loans
- 29 provided under this heading: *Provided further*, That [of the amounts available under this paragraph
- 30 for section 502 direct loans, no less than \$5,000,000 shall be available for direct loans for individuals
- 31 whose homes will be built pursuant to a program funded with a mutual and self-help housing grant
- 32 authorized by section 523 of the Housing Act of 1949 until June 2026; *Provided further*, That the
- 33 Secretary shall implement provisions to provide incentives to nonprofit organizations and public
- 34 housing authorities to facilitate the acquisition of Rural Housing Service (RHS) multifamily housing
- 35 properties by such nonprofit organizations and public housing authorities that commit to keep such
- 36 properties in the RHS multifamily housing program for a period of time as determined by the
- 37 Secretary, with such incentives to include, but no be limited to, the following: allow such nonprofit
- 38 entities and public housing authorities to earn a Return on Investment on the owner's initial equity
- 39 contributions, as defined by the Secretary, invested in the transaction; and allow reimbursement of
- 40 organizational costs associated with owner's oversight of asset referred to as "Asset Management Fee"
- 41 of up to \$7,500 per property], notwithstanding section 504(a) of the Housing Act of 1949 (42 U.S.C.
- 42 1474(a)), section 504 housing repair loans for \$15,000 or less need only be evidenced by a
- 43 promissory note.
  
- 44 In addition, for the cost of direct loans and grants, including the cost of modifying loans, as defined in
- 45 section 502 of the Congressional Budget Act of 1974, \$30,000,000, to remain available until
- 46 expended, for a demonstration program for the preservation and revitalization of the sections 514,

47 515, and 516 multi-family rental housing properties to restructure existing USDA multi-family housing  
 48 loans, as the Secretary deems appropriate, expressly for the purposes of ensuring the project has  
 49 sufficient resources to preserve the project for the purpose of providing safe and affordable housing  
 50 for low-income residents and farm laborers including reducing or eliminating interest; deferring loan  
 51 payments, subordinating, reducing or re-amortizing loan debt; and other financial assistance including  
 52 advances, payments and incentives (including the ability of owners to obtain reasonable returns on  
 53 investment) required by the Secretary: *Provided*, That the Secretary shall, as part of the preservation  
 54 and revitalization agreement, obtain a restrictive use agreement consistent with the terms of the  
 55 restructuring.

56 In addition, for administrative expenses necessary to carry out the direct and guaranteed loan  
 57 programs, \$412,254,000 shall be paid to the appropriation for "Rural Development, Salaries and  
 58 Expenses".

**Change Description**

*The first change* (lines 4 and 5 of paragraph 1) deletes language associated with the Program Level for the Relending Demonstration Program for Native American Tribes; it is not requested in the 2027 President’s Budget.

*The second change* (line 6 of paragraph 1) added language for Section 502 Guaranteed Loans to be available for a two-year period, until September 30, 2028, which will facilitate continuity of lending during a shutdown.

*The third change* (lines 10 to 11 of paragraph 1) deletes language referencing the Section 523 self-help housing land development program, the Section 524 site land development loans; these are not requested in the 2027 President’s Budget.

*The fourth change* (lines 15 and 17 of paragraph 2) deletes language requesting two-year funds for Section 502 direct loan Budget Authority request and deletes the Budget Authority language for the Relending Demonstration Program for Native American Tribes; it is not requested in the 2027 President’s Budget.

*The fifth change* (lines 19 to 20 of paragraph 2) deletes language requesting Budget Authority for Section 523 self-help housing land development program, the Section 524 site land development loans; these are not requested in the 2027 President’s Budget.

*The sixth change* (lines 29 to 41 of paragraph 2) deletes language referencing the Section 523 mutual self-help funds and the Section 515 rural rental housing programs; they are not requested in the 2027 President’s Budget.

*The seventh change* (lines 41 to 43 of paragraph 2) add language that adjusts the \$7,500 non-secured cap for section 504 grants to \$15,000. The Section 504 repair program serves our lowest income, elderly applicants, who are often located in high-poverty areas. The \$7,500 limit has become outdated, and discourages small repairs, where the cost is not high enough to make it reasonable to file a mortgage and encumber the property. Raising the limit to \$15,000 is more reasonable and will facilitate greater program participation.

**LEAD-OFF TABULAR STATEMENT**

***Table RHS-4. Lead-Off Tabular Statement (in dollars)***

<b>Item</b>	<b>Grants</b>	<b>Loan Level</b>	<b>Subsidy</b>	<b>Administrative Expenses</b>
Estimate, 2026 .....	\$9,500,000	\$26,565,782,000	\$186,608,000	\$412,254,000
Change in Appropriation.....	-2,000,000	-4,934,616,000	-1,478,000	0
Budget Estimate, 2027 .....	<u>7,500,000</u>	<u>21,631,166,000</u>	<u>185,130,000</u>	<u>412,254,000</u>

**PROJECT STATEMENTS**

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

Item	2024	2024	2025	2025	2026	2026	2027	2027	PL Inc. or Dec.	Chg Key	BA Inc. or Dec.	Chg Key
	Actual PL	Actual BA	Actual PL	Actual BA	Estimated PL	Estimated BA	Estimated PL	Estimated BA				
Discretionary Approp:												
Sec 502 SFH Direct Loans .....	\$880,000	\$84,480	\$715,932	\$84,480	\$1,000,000	\$130,600	\$983,168	\$130,663	-\$16,832	(1)	+\$63	(14)
SFHD Native American Relending Pilot.....	5,500	2,517	4,633	2,288	5,000	2,125	-	-	-5,000	(2)	-2,125	(14)
Sec 502 SFH Guaranteed Loans .....	25,000,000	-	25,000,000	-	25,000,000	-	20,000,000	-	-5,000,000	(3)	-	-
Sec 504 Direct Loans, Very Low .....	23,683	4,109	20,271	4,338	25,003	4,333	25,000	4,270	-3	(4)	-63	(14)
Sec 515 MFH Direct Loans .....	60,000	20,988	47,138	18,662	50,000	15,130	50,000	16,640	-	(5)	+1,510	(14)
Sec 538 MFH Guaranteed Loans .....	400,000	-	400,000	-	400,000	-	500,000	-	+100,000	(6)	-	-
Sec 523 Land Development .....	4,534	637	3,697	637	5,000	657	-	-	-5,000	(7)	-657	(14)
Sec 524 Direct Site Dev Loans .....	6,046	477	5,470	477	5,004	502	-	-	-5,004	(8)	-502	(14)
SFH Credit Sales .....	10,000	-	10,000	-	10,000	-	10,000	-	-	(9)	-	(14)
Sec 514 FLH Loans.....	15,001	5,222	13,473	5,222	15,000	4,761	15,001	5,057	+1	(10)	+296	(14)
Sec 516 FLH Grants.....	7,500	7,500	5,500	5,500	6,000	6,000	6,000	6,000	-	(11)	-	(11)
MFH Preserv/Revitalization Prog.....	34,000	34,000	46,415	32,000	52,275	30,000	49,497	30,000	-2,778	(12)	-	(12)
GP MFH Preserv/Revi Pilot Grants.....	1,000	1,000	1,000	1,000	2,000	2,000	-	-	-2,000	(13)	-2,000	(13)
Administrative Expenses .....	-	412,254	-	412,254	-	412,254	-	412,254	-	-	-	-
Subtotal.....	26,447,264	573,184	26,273,529	566,858	26,575,282	608,362	21,638,666	604,884	-4,936,616	-	-3,478	-
Supplemental Approp:												
Section 502 - Single Family DAF.....	-	-	7,958	939	-	-	-	-	-	-	-	-
Subtotal.....	-	-	7,958	939	-	-	-	-	-	-	-	-
Total Adjusted Approp .....	26,447,264	573,184	26,281,487	567,797	26,575,282	608,362	21,638,666	604,884	-4,936,616	-	-3,478	-
Add back:												
Transfers In and Out, Rescissions.....	820	-	1,917	5,387	-	-	-	-	-	-	-	-
Total Appropriation.....	26,448,084	573,184	26,283,404	573,184	26,575,282	608,362	21,638,666	604,884	-4,936,616	-	-3,478	-
Transfers In:												
SFHD Native American Relending Pilot.....	500	229	-	-	-	-	-	-	-	-	-	-
Section 502 - Single Family DAF.....	-	-	7,958	939	-	-	-	-	-	-	-	-
Total Transfers In.....	500	229	7,958	939	-	-	-	-	-	-	-	-
Transfers Out:												
Sec 504 direct loans, very low .....	-1,320	-229	-	-	-	-	-	-	-	-	-	-
Sec 516 FLH Grants to 012-1951.....	-	-	-2,000	-2,000	-	-	-	-	-	-	-	-
MFH Preserv/Revi Grants to 012-1951.....	-	-	-2,000	-2,000	-	-	-	-	-	-	-	-
Sec 515 MFH Direct to 012-1951.....	-	-	-5,875	-2,326	-	-	-	-	-	-	-	-
Total Transfers Out.....	-1,320	-229	-9,875	-6,326	-	-	-	-	-	-	-	-
Balances Interchange.....	231,332	19,928	-4,876	-3,487	-	-	-	-	-	-	-	-
Recoveries, Other .....	14,273	10,903	38,048	17,888	14,957	8,279	14,251	8,606	-706	-	+327	-
Bal. Available, SOY .....	109,596	84,315	19,084,452	145,467	25,321,581	192,301	282,659	128,788	-25,038,922	-	-63,513	-
Total Available.....	26,802,465	688,330	45,399,111	727,665	51,911,820	808,942	21,935,576	742,278	-29,976,244	-	-66,664	-
Lapsing Balances .....	-208,486	-3,289	-10,759,387	-3,116	-38,782,976	-1,147	-291,619	-	+38,491,357	-	+1,147	-
Bal. Available, EOY.....	-19,099,535	-145,467	-25,284,991	-192,301	-298,266	-128,788	-7,133,990	-120,540	-6,835,724	-	+8,248	-
Total Obligations.....	7,494,444	539,574	9,354,733	532,248	12,830,578	679,007	14,509,967	621,738	+1,679,389	-	-57,269	-

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

Item	2024	2024	2025	2025	2026	2026	2027	2027	PL Inc. or Dec.	BA Inc. or Dec.
	Actual PL	Actual BA	Actual PL	Actual BA	Estimated PL	Estimated BA	Estimated PL	Estimated BA		
Discretionary Obligations:										
Sec 502 SFH Direct Loans .....	\$1,092,449	\$104,892	\$748,173	\$88,285	\$932,098	\$121,732	\$1,058,939	\$140,733	+\$126,841	+\$19,001
Sec 502 SFH Disaster Fund.....	-	-	-	-	7,190	939	-	-	-7,190	-939
SFHD Native American Relending Pilot.....	5,500	2,500	4,630	2,286	5,000	2,125	-	-	-5,000	-2,125
Sec 502 SFH Guaranteed Loans .....	6,130,494	-	8,350,664	-	11,423,775	-	13,088,000	-	+1,664,225	-
Sec 504 Direct Loans, Very Low .....	11,266	1,955	10,689	2,287	23,751	4,116	25,000	4,270	+1,249	+154
Sec 515 MFH Direct Loans .....	9,241	3,233	7,969	3,155	30,000	9,078	38,251	12,730	+8,251	+3,652
Sec 538 MFH Guaranteed Loans .....	224,735	-	187,589	-	211,978	-	208,382	-	-3,596	-
Sec 523 Land Development .....	-	-	-	-	762	100	-	-	-762	-100
Sec 524 Direct Site Dev Loans .....	113	11	721	63	1,265	127	-	-	-1,265	-127
SFH Credit Sales .....	-	-	-	-	500	-	10,000	-	+9,500	-
Sec 514 FLH Loans.....	9,204	3,204	32,739	12,690	43,740	13,883	16,001	5,394	-27,739	-8,489
Sec 516 FLH Grants.....	11,442	11,442	6,665	6,665	11,749	11,749	13,773	13,773	+2,024	+2,024
MFH Preserv/Revitalization .....	-	83	1,144	813	137,000	101,134	49,497	30,460	-87,503	-70,674
GP MFH Preserv/Revi Pilot Grants .....	-	-	3,750	3,750	1,770	1,770	2,124	2,124	+354	+354
Administrative Expenses .....	-	412,254	-	412,254	-	412,254	-	412,254	-	-
Subtotal Disc oblig.....	7,494,444	539,574	9,354,733	532,248	12,830,578	679,007	14,509,967	621,738	+1,679,389	-57,269
Total Obligations.....	7,494,444	539,574	9,354,733	532,248	12,830,578	679,007	14,509,967	621,738	+1,679,389	-57,269
Add back:										
Lapsing Balances .....	208,486	3,289	10,759,387	3,116	38,782,976	1,147	291,619	-	-38,491,357	-1,147
Balances Available, EOY:										
Sec 502 SFH Direct Loans .....	21,068	2,023	3,020	356	73,599	9,612	-	-	-73,599	-9,612
Sec 502 SFH Disaster Fund.....	-	-	7,958	939	-	-	-	-	-	-
Sec 502 SFH Guaranteed Loans .....	18,869,506	-	25,000,000	-	-	-	6,912,000	-	+6,912,000	-
Sec 514 FLH Loans.....	40,939	14,251	20,594	7,982	-	-	-	-	-	-
Sec 516 FLH Grants.....	23,878	23,878	28,829	28,829	26,720	26,720	22,882	22,882	-3,838	-3,838
Other .....	-	12	-	12	-	12	-	12	-	-
Sec 515 MFH Direct Loans .....	50,759	17,755	81,717	32,352	126,913	38,404	128,147	42,647	+1,234	+4,243
MFH Preserv/Revitalization .....	88,485	82,648	140,723	119,681	68,654	51,660	70,705	54,743	+2,051	+3,083
GP MFH Preserv/Revi Pilot Grants .....	4,900	4,900	2,150	2,150	2,380	2,380	256	256	-2,124	-2,124
Total Bal. Available, EOY.....	19,099,535	145,467	25,284,991	192,301	298,266	128,788	7,133,990	120,540	+6,835,724	-8,248
Total Available.....	26,802,465	688,330	45,399,111	727,665	51,911,820	808,942	21,935,576	742,278	-29,976,244	-66,664
Less:										
Total Transfers In .....	-500	-229	-7,958	-939	-	-	-	-	-	-
Total Transfers Out .....	1,320	229	9,875	6,326	-	-	-	-	-	-
Balances Interchange.....	-231,332	-19,928	4,876	3,487	-	-	-	-	-	-
Recoveries, Other .....	-14,273	-10,903	-38,048	-17,888	-14,957	-8,279	-14,251	-8,606	+706	-327
Rescinded Balances.....	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY .....	-109,596	-84,315	-19,084,452	-145,467	-25,321,581	-192,301	-282,659	-128,788	+25,038,922	+63,513
Total Appropriation.....	26,448,084	573,184	26,283,404	573,184	26,575,282	608,362	21,638,666	604,884	-4,936,616	-3,478

**JUSTIFICATION OF CHANGES**

Rural Housing Service (RHS) programs provide easy access financing with low interest rates to rural families so they can realize the dream of homeownership. RHS also supports low-income rural rental housing through rental assistance and financing for rental housing development. Additionally, RHS supports construction of community facilities such as hospitals, schools, and police stations to benefit the people and places in our country that often lack access.

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

1. A decrease of \$16,832,000 for the Section 502 SFH Direct Loan Program (\$1,000,000,000 available in 2026).

The Section 502 Single Family Housing (SFH) Direct Loan Program provides loans directly to very low- and low-income homeowners who have no other financing options. The Section 502 Direct Loan Program enables loan applicants who are financially able to meet their monthly loan obligations to obtain 33-year, fixed-rate, 100 percent financing to purchase a newly constructed or existing dwelling, or a site on which to construct a home. For applicants with lower incomes who need more manageable loan terms to qualify, loan terms of up to 38 years are available. Mortgage payments are subsidized so that the monthly payment can be as low as 24 percent of a household's adjusted income. The program has provided mortgage financing in rural communities for more than five decades, and it continues to provide affordable housing for low-income borrowers in rural areas.

The SFH Direct Loan program also helps strengthen rural communities with loans for home repairs for very low-income households and grants for critical home repairs for very low-income seniors. The "Self Help" housing program provides technical assistance grants so groups of very low- and low-income families can reduce their mortgages by constructing their own homes, also utilizing section 502 direct loans. Direct loans are also available for affordable site development when future occupancy is reserved for rural homebuyers with limited incomes. Collectively, these programs address the homeownership needs of rural families, create jobs, support local employers, and strengthen local economies in rural communities throughout the Nation. RHS is already making improvements to these programs to enhance customer experience and optimize program delivery.

Moving forward and building on this effort, RHS is working on further streamlining and improving the SFH Direct programs. The agency's goal is to continue to reduce the regulatory burdens by enhancing program delivery, expanding customer service, promoting program consistency where feasible, and aligning the programs with current housing market conditions and mortgage loan practices.

The 2027 requested funding of \$983.2 million will provide direct financing for an estimated 5,355 units, including home purchases, rehabilitation, and refinancing of existing RHS loans. This funding will enable RD to continue supporting financing opportunities to low and very low-income households in rural communities nationwide.

2. A decrease of \$5,000,000 for the Section 502 SFH Native American Relending Pilot Program (\$5,000,000 available in 2026).

The budget does not include funding for this activity; the focus in 2027 will be on the Single Family Housing Section 502 Direct and the Guaranteed Loan Programs.

3. A decrease of \$5,000,000,000 for the Section 502 SFH Guarantee Loan Program (\$25,000,000,000 available in 2026).

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. The program also refinances higher interest, existing USDA guaranteed or direct loans. The SFH Guarantee Loan Program continues to advance the 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.

After several years of decreased demand for the SFHGLP, 2025 experienced an increase in application volume compared to 2024. As of the end of September, the agency had already obligated \$8.3 billion in 2025, exceeding the 2024 obligation total of \$6.1 billion. In 2027, obligations are expected to increase to \$20 billion.

The 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 updating handbooks and guidance to comply with 2025 Presidential Executive Orders and priorities.

On August 11, 2025, the agency announced an increase to the elderly family deduction from \$400 to \$525. Applicants aged 62 or older have the benefit of an elderly family deduction when calculating adjusted income. The update to the deduction was made immediately upon notification.

In a continued focus on stakeholder outreach, the agency hosted various engagement sessions. On July 16, 2025, the agency held a session on tips for mastering appraisal and property requirements at no cost for lenders and real estate agents. The session on August 13, 2025, for USDA Single Family Housing Guaranteed lending partners focused on providing tips for confident credit underwriting. Event topics included examining lender credit underwriting responsibility, determining credit guidelines based on the agency's system underwriting recommendation, as well as evaluating applicant eligibility based on credit history.

The agency's Final Rule on Updating Manufactured Housing Provisions became effective as of May 5, 2025 (90 FR 11099). Rural Development's intent of the final rule was to provide borrowers with increased purchasing options within a competitive market, increase adequate housing, as well as enhance customer service experiences for Americans in rural communities looking to leverage the agency's Single Family Housing programs.

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 reducing 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. 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. 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); the agency's request for an extension of the pilot programs is pending review with the RHS Administrator.

With a total of \$20 billion in lending capacity, the program will provide 125,334 guaranteed loans, which should be enough to meet the demand. 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. The budget requests a change in the appropriation's language so that the loan authority for this program be available for two years. This change coupled with the recent changes in the regulations to allow for delegated authority to authorized lenders will allow 502 loan guarantees to continue during a shutdown, similar to how FHA loans operate during a shutdown. This will protect the means tested 502 loan guarantee borrowers who are in the middle of purchasing a home from delaying their loan closings and potentially losing their earnest money or purchasing expenditures that they might otherwise suffer during federal funding negotiations.

4. A decrease of \$3,000 for section 504 Housing Repair Loan Program (\$5,003,000 available in 2026).

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. Eligible properties must be 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.

With \$25 million program level requested, the Section 504 Housing Repair Direct can make approximately 2,744 loans in 2027 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. No change in program level for the Section 515 Multi-family Housing Direct Loan Program (\$50,000,000 available in 2026).

Continuing funding for this program is crucial to ensure the continued success and preservation of the Multi-family Housing (MFH) properties that will serve rural residents for years to come. As properties age and mortgage maturities accelerate, the funding is used to refinance properties in the 515 portfolio and ensure the continuation of the low-income rental housing for another 30 years. A program level of \$50 million in 2027 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 minimal.

The 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 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.

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.

RHS also 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. This rule had an effective date of March 31, 2025 (90 FR 8367).

6. An increase of \$100,000,000 in program level for Section 538 MFH Guaranteed Loan Program (\$400,000,000 available in 2026).

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.

RHS is working to support the administration's goal of increasing affordable housing. On June 30, 2025, RHS published a proposed rule in the Federal Register (90 FR 27819) that would require applicants to submit a market study as a part of the complete application for the Multi-Family Housing Guaranteed program. The market study would be used to demonstrate market need for new construction. The goal of the proposed rule is to increase affordable rental housing by using loan guarantees to encourage partnerships with the agency, private lenders, and public agencies. While there is a reference to a market assessment for the program, the deliverable is not standardized. The proposed rule intends to add consistency in the management of the program regarding the market assessment; it has already received several public comments from stakeholders during the open comment period.

As Rural Development continues program outreach efforts, the increased \$100 million funding in 2027 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.

The increase of \$100 million in 2027 will continue to strengthen the strategic investment under this program.

7. A decrease of \$5,000,000 in Section 523 Land Development Program (\$5,000,000 available in 2026).

Funding is not requested for this program in the 2027 President's Budget.

8. A decrease of \$5,004,000 in Section 524 Site Development Program (\$5,004,000 available in 2026).

Funding is not requested for this program in the 2027 President's Budget.

9. No change for Credit Sales of Acquired Property- Single Family Housing Program (\$10,000,000 available in 2026).

This base funding assists RHS with the sale of real estate owned (REO) properties. Because USDA already owns these properties a seller-financed sale does not require that any cash changes hands. The base of \$10 million fully supports any expected seller-financed sales of REO properties. This non-program credit sales funding is essential to ensuring REO properties are made available to homebuyers in rural areas. In addition to the activities and functions noted above, all funds are used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency. With this program, the agency can offer SFH funding at non-program rates and loan terms. This credit is offered for buyers not eligible for Section 502 assistance or for properties that do not qualify as a program property. Funding allows agency staff to expedite the sale and disposition of REO properties, which saves the government the cost of maintaining these properties. REO volume is difficult to predict, and investor appetite for program funding can vary widely from one year to the next.

10. An increase of \$1,000 in Section 514 Farm Labor Housing loans program (\$15,000,000 available in 2026).

Funding for the Section 514 Farm Labor Housing (FLH) 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 2025, \$32.7 million was invested across 11 states. The agency continues to make positive improvements in program administration. The agency published a proposed rule in the Federal Register (90 FR 27817) on June 30, 2025, to amend its regulation to implement changes related to income calculation and net family assets for properties that receive funding from the Multi-family Housing Sections 514, 515, and 516 programs. The proposed changes are intended to align the agency's annual income certification requirements with the Housing Opportunity Through Modernization Act of 2016 (HOTMA).

Funding requested in 2027 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 10 existing FLH properties (500 units) in need of capital to perform critical physical repairs.

The loan level increase of \$1,000 in 2027 is due to subsidy rate rounding.

11. No change for Farm Labor Housing Grant Program (\$6,000,000 available in 2026).

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.

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.

In 2025, the agency obligated \$6.7 million. Used in conjunction with the FLH loans, the 2027 funding level of \$6 million will support an additional four grants.

12. No change in budget authority for 515 Multi-family Preservation and Revitalization (MPR) pilot (\$30,000,000 available in 2026).

The Section 515 MPR pilot program provides \$30 million in budget authority to leverage for financing MFH projects for revitalization and preservation of properties. Loan modifications, zero percent loans, soft second loans, or revitalization grants provide a dedicated 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. Most of this funding will be used for modifications of existing loans.

The program's revitalization tools are critical to attract capital market investment into rural communities through the modernization of existing RD housing. RHS uses these revitalization tools to provide gap financing not covered through the 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.

In 2025 the agency obligated \$1.1 million across the various program opportunities under the MPR account. Much of the obligation total occurred in the Revitalization Bullet/Soft Second Loan program. The remaining funding from this total is attributed to loan modifications for both the Section 514 and 515 programs for maturing mortgages.

This budget request emphasizes the need for improving/adding multifamily housing options in rural areas. This program works in tandem with Multi-family Housing 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. There is a need for rebuilding the portfolio of multifamily housing in rural areas. Most of these projects were built in the 1970's and need restoration. In addition, because of increased population additional projects are needed.

The budget continues to request to include language that will allow RD to move funds between the loan and grant programs within this program without prior notification to Congress. This request is driven by the need for greater operational flexibility to respond to fluctuating program demand and to ensure the efficient and timely delivery of rural housing and other assistance programs.

2027 requested the same budget authority for the MPR account as the 2026 appropriations bill.

13. A decrease of \$2,000,000 for GP Multi-Family Housing Revitalization Programs Pilot Program Technical Assistance Grants (\$2,000,000 available in 2026).

Funding is not requested for this program in the 2027 President's Budget. Carryover from this program will be sufficient to satisfy the demand for 2027.

14. A decrease of \$1,478,000 in direct loan subsidy authority (\$158,108,000 available in 2026).

This is the budget authority necessary to support the program level requested. The decrease is due primarily to the agency not requesting funding for the very small loan risk categories with little to no demand in the 2027 budget.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

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

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Alabama .....	\$24,201	\$22,046	-	-
Alaska .....	14,040	18,026	-	-
Arizona .....	40,550	17,925	-	-
Arkansas.....	11,919	8,001	-	-
California .....	140,683	52,141	-	-
Colorado .....	17,721	19,269	-	-
Connecticut.....	1,779	1,163	-	-
Delaware .....	11,051	10,811	-	-
Florida .....	43,106	24,790	-	-
Georgia.....	23,027	12,376	-	-
Guam .....	6,618	3,473	-	-
Hawaii .....	7,038	5,634	-	-
Idaho .....	7,360	7,194	-	-
Illinois .....	11,860	9,331	-	-
Indiana .....	55,534	11,089	-	-
Iowa.....	14,691	11,913	-	-
Kansas.....	5,492	7,335	-	-
Kentucky .....	21,963	12,660	-	-
Louisiana .....	22,669	10,950	-	-
Maine .....	22,852	18,239	-	-
Maryland.....	10,435	4,680	-	-
Massachusetts .....	1,934	4,516	-	-
Michigan .....	24,675	18,858	-	-
Minnesota .....	16,621	10,927	-	-
Mississippi.....	25,812	17,805	-	-
Missouri .....	20,946	13,008	-	-
Montana .....	12,368	8,529	-	-
Nebraska .....	7,015	4,384	-	-
Nevada .....	9,523	6,132	-	-

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
New Hampshire .....	4,214	2,013	-	-
New Jersey.....	6,644	6,145	-	-
New Mexico.....	3,640	5,739	-	-
New York .....	24,398	18,994	-	-
North Carolina .....	46,227	42,022	-	-
North Dakota.....	1,202	525	-	-
Ohio .....	29,970	23,842	-	-
Oklahoma .....	15,825	6,639	-	-
Oregon .....	17,004	18,824	-	-
Pennsylvania .....	30,407	16,635	-	-
Puerto Rico.....	5,659	5,153	-	-
Rhode Island .....	1,004	2,381	-	-
South Carolina.....	29,755	26,995	-	-
South Dakota .....	5,201	3,084	-	-
Tennessee.....	22,061	30,016	-	-
Texas .....	55,753	34,839	-	-
Utah.....	36,595	45,106	-	-
Vermont .....	2,968	1,677	-	-
Virgin Islands .....	4,156	530	-	-
Virginia.....	45,726	32,276	-	-
Washington.....	41,433	30,701	-	-
West Virginia.....	11,037	7,018	-	-
Wisconsin.....	10,687	7,903	-	-
Wyoming .....	6,240	5,665	-	-
Marshall Islands.....	1,160	246	-	-
Distribution Unknown .....	-	-	\$939,288	\$1,058,939
Obligations .....	1,092,449	748,173	939,288	1,058,939
Lapsing Balances.....	337	103	-	-
Bal. Available, EOY.....	21,068	10,978	73,599	-
<b>Total, Available .....</b>	<b>1,113,854</b>	<b>759,254</b>	<b>1,012,887</b>	<b>1,058,939</b>

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

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Alabama .....	\$876	-	-	-
Alaska .....	-	\$764	-	-
Guam .....	1,646	-	-	-
Hawaii .....	-	764	-	-
Massachusetts .....	701	-	-	-
Michigan .....	-	688	-	-
Montana .....	-	382	-	-
Ohio.....	876	-	-	-
Oklahoma .....	526	-	-	-
South Dakota .....	-	1,528	-	-
Washington .....	-	504	-	-
West Virginia.....	875	-	-	-
Distribution Unknown .....	-	-	\$5,000	-
Obligations .....	5,500	4,630	5,000	-
Lapsing Balances.....	-	3	-	-
<b>Total, Available .....</b>	<b>5,500</b>	<b>4,633</b>	<b>5,000</b>	<b>-</b>

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

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Alabama .....	\$351,760	\$454,998	-	-
Alaska .....	16,990	26,155	-	-

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Arizona .....	107,058	185,863	-	-
Arkansas .....	300,069	378,892	-	-
California .....	55,264	82,311	-	-
Colorado .....	23,621	32,044	-	-
Connecticut .....	9,104	13,297	-	-
Delaware .....	10,427	16,258	-	-
Florida .....	140,964	229,590	-	-
Georgia .....	235,004	335,977	-	-
Guam .....	606	1,806	-	-
Hawaii .....	10,046	16,817	-	-
Idaho .....	21,702	41,989	-	-
Illinois .....	125,185	165,739	-	-
Indiana .....	281,355	362,472	-	-
Iowa .....	99,558	119,572	-	-
Kansas .....	96,082	121,511	-	-
Kentucky .....	220,068	301,683	-	-
Louisiana .....	407,249	554,803	-	-
Maine .....	69,669	78,514	-	-
Maryland .....	102,165	122,165	-	-
Massachusetts .....	9,254	14,879	-	-
Michigan .....	147,539	170,641	-	-
Minnesota .....	83,755	118,321	-	-
Mississippi .....	215,287	260,192	-	-
Missouri .....	358,359	467,721	-	-
Montana .....	21,937	25,088	-	-
Nebraska .....	40,773	50,057	-	-
Nevada .....	7,369	14,987	-	-
New Hampshire .....	5,151	5,726	-	-
New Jersey .....	18,770	17,270	-	-
New Mexico .....	15,102	25,217	-	-
New York .....	39,831	49,552	-	-
North Carolina .....	265,609	377,153	-	-
North Dakota .....	23,635	23,492	-	-
Ohio .....	229,387	305,971	-	-
Oklahoma .....	180,282	231,692	-	-
Oregon .....	56,707	83,056	-	-
Pennsylvania .....	194,936	219,524	-	-
Puerto Rico .....	166,139	195,744	-	-
Rhode Island .....	221	-	-	-
South Carolina .....	190,296	317,290	-	-
South Dakota .....	43,992	48,895	-	-
Tennessee .....	330,503	494,742	-	-
Texas .....	309,733	502,386	-	-
Utah .....	33,815	62,219	-	-
Vermont .....	4,962	6,497	-	-
Virgin Islands .....	-	313	-	-
Virginia .....	195,857	276,568	-	-
Washington .....	27,670	42,255	-	-
West Virginia .....	110,130	147,033	-	-
Wisconsin .....	72,965	106,782	-	-
Wyoming .....	46,582	46,945	-	-
Distribution Unknown .....	-	-	\$11,423,775	\$13,088,000
Obligations .....	6,130,494	8,350,664	11,423,775	13,088,000
Lapsing Balances .....	-	10,518,842	38,576,225	-
Bal. Available, EOY .....	18,869,506	25,000,000	-	6,912,000
<b>Total, Available .....</b>	<b>25,000,000</b>	<b>43,869,506</b>	<b>50,000,000</b>	<b>20,000,000</b>

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

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Alabama .....	\$399	\$190	-	-
Alaska .....	76	116	-	-
Arizona .....	165	169	-	-
Arkansas.....	193	299	-	-
California .....	37	53	-	-
Colorado .....	34	38	-	-
Connecticut.....	20	17	-	-
Delaware .....	58	16	-	-
Florida .....	148	108	-	-
Georgia.....	48	80	-	-
Guam .....	277	40	-	-
Hawaii .....	15	51	-	-
Idaho .....	92	57	-	-
Illinois .....	833	870	-	-
Indiana .....	144	388	-	-
Iowa.....	242	321	-	-
Kansas.....	141	155	-	-
Kentucky .....	284	287	-	-
Louisiana .....	197	239	-	-
Maine .....	263	420	-	-
Maryland.....	-	54	-	-
Massachusetts .....	16	82	-	-
Michigan .....	839	761	-	-
Minnesota .....	298	123	-	-
Mississippi.....	333	223	-	-
Missouri .....	299	309	-	-
Montana .....	72	76	-	-
Nebraska .....	126	95	-	-
Nevada .....	101	89	-	-
New Hampshire .....	79	107	-	-
New Jersey.....	37	69	-	-
New Mexico.....	16	34	-	-
New York .....	703	545	-	-
North Carolina .....	594	730	-	-
North Dakota.....	82	2	-	-
Ohio .....	369	316	-	-
Oklahoma .....	97	50	-	-
Oregon .....	354	255	-	-
Pennsylvania .....	356	621	-	-
Puerto Rico.....	20	40	-	-
Rhode Island .....	4	16	-	-
South Carolina.....	171	157	-	-
South Dakota .....	7	29	-	-
Tennessee.....	239	329	-	-
Texas .....	1,165	604	-	-
Utah .....	17	16	-	-
Vermont .....	204	131	-	-
Virginia .....	467	405	-	-
Washington .....	57	180	-	-
West Virginia.....	130	87	-	-
Wisconsin.....	177	192	-	-
Wyoming .....	21	48	-	-
Marshall Islands.....	128	-	-	-
Peru .....	22	-	-	-
Distribution Unknown .....	-	-	\$23,751	\$25,000
Obligations .....	11,266	10,689	23,751	25,000

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Lapsing Balances.....	12,417	9,582	1,252	-
Total, Available .....	23,683	20,271	25,003	25,000

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

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
California .....	\$8,704	\$1,929	-	-
New York .....	-	2,416	-	-
Oregon .....	415	-	-	-
Pennsylvania .....	-	3,624	-	-
Washington .....	122	-	-	-
Distribution Unknown .....	-	-	\$156,913	\$38,251
Obligations .....	9,241	7,969	156,913	38,251
Bal. Available, EOY .....	50,759	81,717	-	12,749
Total, Available .....	60,000	89,686	156,913	51,000

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

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Alabama .....	-	\$2,195	-	-
Arizona .....	-	1,000	-	-
California .....	\$19,064	16,567	-	-
Colorado .....	5,000	-	-	-
Connecticut .....	-	4,900	-	-
Florida .....	-	5,489	-	-
Georgia .....	7,588	11,075	-	-
Illinois .....	450	-	-	-
Indiana .....	-	1,886	-	-
Kansas .....	4,231	527	-	-
Kentucky .....	-	10,130	-	-
Maryland .....	-	1,800	-	-
Michigan .....	3,595	50	-	-
Minnesota .....	16,310	5,929	-	-
Mississippi .....	2,381	8,550	-	-
Nevada .....	1,400	-	-	-
New Jersey .....	-	1,700	-	-
New York .....	-	3,845	-	-
North Carolina .....	22,832	66,588	-	-
Ohio .....	672	-	-	-
Oklahoma .....	4,260	5,396	-	-
South Carolina .....	54,550	-	-	-
Tennessee .....	31,845	5,157	-	-
Texas .....	3,305	33,780	-	-
Utah .....	1,100	-	-	-
Washington .....	3,300	-	-	-
West Virginia .....	42,852	1,025	-	-
Distribution Unknown .....	-	-	\$211,978	\$208,382
Obligations .....	224,735	187,589	211,978	208,382
Lapsing Balances .....	175,265	212,411	188,022	291,618
Total, Available .....	400,000	400,000	400,000	500,000

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown .....	-	-	\$762	-
Obligations .....	-	-	762	-
Lapsing Balances.....	\$4,534	\$3,697	4,238	-
Total, Available .....	4,534	3,697	5,000	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Florida .....	-	\$721	-	-
North Carolina .....	\$113	-	-	-
Distribution Unknown .....	-	-	\$1,265	-
Obligations .....	113	721	1,265	-
Lapsing Balances.....	5,933	4,749	3,735	-
Total, Available .....	6,046	5,470	5,000	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown .....	-	-	\$500	\$10,000
Obligations .....	-	-	500	10,000
Lapsing Balances.....	\$10,000	\$10,000	9,500	-
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	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Arkansas.....	-	\$1,556	-	-
California .....	\$132	10,258	-	-
Colorado .....	923	-	-	-
Florida .....	7,729	-	-	-
Georgia.....	-	1,842	-	-
Kansas.....	-	2,768	-	-
Maine .....	-	496	-	-
Missouri .....	-	565	-	-
Nebraska .....	-	4,664	-	-
New Jersey.....	-	625	-	-
New Mexico .....	-	5,956	-	-
Vermont .....	-	434	-	-
Washington .....	420	3,575	-	-
Distribution Unknown .....	-	-	\$43,904	\$16,001
Obligations .....	9,204	32,739	43,904	16,001
Bal. Available, EOY.....	40,939	20,594	-	-
Total, Available .....	50,143	53,333	43,904	16,001

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
California .....	\$1,189	-	-	-
Colorado .....	1,028	-	-	-
Florida .....	4,489	-	-	-
Georgia.....	-	\$3,042	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
New Mexico .....	-	2,625	-	-
New York .....	-	998	-	-
Oregon .....	956	-	-	-
Washington .....	3,780	-	-	-
Distribution Unknown .....	-	-	\$11,749	\$13,773
Obligations .....	11,442	6,665	11,749	13,773
Bal. Available, EOY .....	23,878	28,829	26,720	22,882
Total, Available .....	35,320	35,494	38,469	36,655

**Table RHS-18. Geographic Breakdown of Obligations for MFH Preservation Revitalization**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Texas .....	-	\$1,144	-	-
Distribution Unknown .....	-	-	\$137,000	\$49,497
Obligations .....	-	1,144	24,405	49,497
Lapsing Balances.....	-	-	-	-
Bal. Available, EOY .....	88,485	140,723	68,654	70,705
Total, Available .....	88,485	141,867	205,654	120,202

**Table RHS-19. Geographic Breakdown of Obligations for GP MFH Preservation Revitalization Pilot Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia .....	-	\$1,400	-	-
Maine .....	-	350	-	-
Maryland.....	-	1,250	-	-
Minnesota .....	-	750	-	-
Distribution Unknown .....	-	-	\$1,770	\$2,124
Obligations .....	-	3,750	1,770	2,124
Bal. Available, EOY .....	\$4,900	2,150	2,380	256
Total, Available .....	4,900	5,900	4,150	2,380

**OBJECT CLASSIFICATION**

**Table RHS-20. Classification by Objects – Discretionary Funding (thousands of dollars) <sup>1</sup>**

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
<b>Other Objects:</b>					
	Other goods and services from Federal				
25.3	sources .....	\$412,254	\$412,254	\$412,254	\$412,254
41.0	Grants, subsidies, and contributions .....	127,320	119,994	266,753	192,030
	Total, Other Objects.....	539,574	532,248	679,007	621,738
99.9	Total, new obligations.....	539,574	532,248	679,007	621,738

**LEGISLATIVE PROPOSALS**

**(1) Eliminate barriers to refinance in SFH G Program**

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Single Family Housing Guaranteed

Current legislative authority to be amended: Housing Act of 1949, as amended

<sup>1</sup> This table does not match MAX Schedule O due to reimbursables.

Proposal: Amend Section 502(h)(17)(B) of the Housing Act of 1949 to remove the requirement that loans refinanced under the Section 502 Single Family Housing Loan Guarantee Program must have an interest rate that is fixed over the term of the loan and does not exceed the interest rate of the loan being refinanced.

Rationale: Current guidelines mandate that loans refinanced under Section 502 Single Family Housing Loan Guarantee Program must have an interest rate that is fixed over the term of the loan and does not exceed the interest rate of the loan being refinanced. Although in most cases borrowers would not pursue a refinance for less favorable terms, there are some instances where a borrower may need to refinance their existing loan to a higher interest rate, such as in the case of divorce, separation, or other personal reasons. Frequently, a divorce court orders that a former spouse refinance a loan to remove the other former spouse from the title. Implementation of this proposal would provide affordable options for current borrowers who are required to refinance their loans.

Goal: This is a cost neutral proposal increasing the flexibility for borrowers who are required to refinance their loans under certain unique circumstances.

### **(2) Authorize Assumptions in Single Family Housing (SFH G) Program**

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Single Family Housing Guaranteed

Current legislative authority to be amended: Housing Act of 1949, as amended

Proposal: Amend Section 502(h)(10) of the Housing Act of 1949, to allow the borrower of a loan guaranteed under the Section 502 Single Family Housing Loan Guarantee Program to be relieved of liability for the loan should a purchaser wish to assume the loan.

Rationale: Currently, Section 502(h)(10) of the Housing Act of 1949 states that "the borrower of a loan guaranteed under [the Section 502 Single Family Housing Loan Guarantee Program] may not be relieved of liability with respect to the loan" following the transfer of a property subject to a loan guaranteed by SFHGLP. In addition to cases where current interest rates require an assumption for a buyer to afford the home, there are also instances where a borrower may need to take over the mortgage from another party, such as in the case of divorce, separation, or other personal reasons. Current requirements eliminate the feasibility of a homebuyer from purchasing the home by assuming a low interest rate loan. This proposal eliminates the requirement that borrowers cannot be relieved from liability when the loan is assumed. In addition to cases where current interest rates require an assumption in order for a buyer to afford the home, there are also instances where a borrower may need to take over the mortgage from another party, such as in the case of divorce, separation, or other personal reasons. Current requirements eliminate the feasibility of a homebuyer from purchasing the home by assuming a low interest rate loan. This proposal eliminates the requirement that borrowers cannot be relieved from liability when the loan is assumed.

Goal: This is a cost neutral proposal increasing access to long-term affordable housing in rural areas.

### **(3) Loan Terms for New Construction SFH G Program**

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Single Family Housing Guaranteed

Current legislative authority to be amended: Housing Act of 1949, as amended

Proposal: Amend Section 502(h)(7)(A) of the Housing Act of 1949 to allow Section 502 Single Family Housing Loan Guarantees financing new construction to exceed the statutory 30-year term by 24 months, for a maximum of a 32-year term.

Rationale: When financing new construction, borrowers often are only required to pay interest payments during the construction period with the loan being re-amortized over the remaining term of the loan once the construction of the home is completed. This structure essentially penalizes borrowers for the term of the construction period, resulting in their loan being amortized over a shorter period which subsequently increases their monthly payment obligation. Amending this section would encourage and promote the construction of new affordable housing units. This proposal allows an additional 24 months to be added to the loan term for new construction loans.

Goal: Implementation of this proposal is expected to have a downward effect on the already negative subsidy rate because it increases the amount of interest the government will collect, but at the same time will enhance the borrower's cash flow by keeping the monthly payments lower. This promotes affordability when financing new construction and supports the Administration's EO on affordable housing.

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

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

*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~~]\$1,795,000,000, and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That amounts made available under this heading shall be available for renewal of rental assistance agreements[ for a maximum of 5,000 units] 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, except that rents shall be based on current Fair Market Rents as established by the Department of Housing and Urban Development pursuant to 24 CFR 888 Subpart A, 42 U.S.C. 1437f and 3535d, to determine the maximum initial rent and adjusted annually by the Operating Cost Adjustment Factor pursuant to 24 CFR 888 Subpart B, unless the Agency determines that the project's budget-based needs require a higher rent, in which case the Agency may approve a budget-based rent level: *Provided further*, That rental assistance agreements entered into or renewed during the current fiscal year shall be funded for a one year period: *Provided further*, That upon request by an owner 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~~]2027 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~~]2027 for a project that the Secretary determines no longer needs rental assistance and use such recaptured funds for current needs[: *Provided further*, That in addition to any other available funds, the Secretary may expend not more than \$1,000,000 total, from the program funds made available under this heading, for information technology improvements under this heading].

**Change Description**

The first change (line 9 of paragraph 1) deleted the language for the available for renewal of rental assistance agreements of the maximum 5,000 units.

The second change (lines 41-43) deleted the language that the Secretary may spend not more than \$1,000,000 total from the program funds for information technology improvements.

**LEAD-OFF TABULAR STATEMENT**

**Table RHS-21. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2026 .....	\$1,715,000,000
Change in Appropriation .....	80,000,000
Budget Estimate, 2027 .....	<u>1,795,000,000</u>

**PROJECT STATEMENTS**

**Table RHS-22. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
Rental Assistance (Sec. 521) .....	\$1,608,000	\$1,643,582	\$1,715,000	\$1,795,000	+\$80,000	(1)
Total Adjusted Approp.....	1,608,000	1,643,582	1,715,000	1,795,000	+80,000	
Add back:						
Transfers In and Out, Rescissions.	-	-34,000	-	-	-	-
Total Appropriation .....	1,608,000	1,609,582	1,715,000	1,795,000	+80,000	
Transfers In:						
Rural Business Programs .....	-	34,000	-	-	-	-
Total Transfers In .....	-	34,000	-	-	-	-
Recoveries, Other.....	3	3	4	4	+0	
Bal. Available, SOY.....	333	336	1,921	1,924	+4	
Total Available .....	1,608,336	1,643,921	1,716,924	1,796,928	+80,004	
Bal. Available, EOY .....	-336	-1,921	-1,924	-1,928	-4	
Total Obligations .....	1,608,000	1,642,000	1,715,000	1,795,000	+80,000	

**Table RHS-23. Project Statement on Basis of Obligations (thousands of dollars)**

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.
Discretionary Obligations:					
Rental Assistance (Sec. 521) ...	\$1,608,000	\$1,642,000	\$1,715,000	\$1,795,000	+\$80,000
Total Obligations .....	1,608,000	1,642,000	1,715,000	1,795,000	+80,000
Add back:					
Balances Available, EOY:					
Rental Assistance (Sec. 521) ...	336	1,921	1,924	1,928	+4
Total Bal. Available, EOY .....	336	1,921	1,924	1,928	+4
Total Available .....	1,608,336	1,643,921	1,716,924	1,796,928	+80,004
Less:					
Total Transfers In.....	-	-34,000	-	-	-
Recoveries, Other.....	-3	-3	-4	-4	-0
Bal. Available, SOY.....	-333	-336	-1,921	-1,924	-4
Total Appropriation .....	1,608,000	1,609,582	1,715,000	1,795,000	+80,000

**JUSTIFICATION OF CHANGES**

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

1. An increase of \$80,000,000 in Rental Assistance Grants program (\$1,715,000,000 available in 2026).

The RA program remains a critical resource for very low-income rural households. 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 12,600 properties, as of the end of July 2025, across the U.S. The RA that each property receives is based on what the property's estimated need is for the next 12 months.

Continued rural inflationary pressures have outpaced the National inflation factor due to the lack of housing stock, increases in insurance costs and employment availability. For 2025, 77.57 percent of the properties in the portfolio had a rent increase with an average rent increase of \$86.03 per unit per month. 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 properties had a rent increase with an average rent increase of \$54.30 per unit per month. This sums to a 3-year total increase of \$212.25 per unit, per month or \$2,547.00 per unit annually. Prior year portfolio tenant demographics include 92.13 percent (345,176 households) of very low- income tenants. Average incomes in the portfolio only increased an average of 7.4 percent in 2023 below the 8.4 percent 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.

In 2025, USDA obligated \$1.642 billion for renewing 212,630 units. The agency is expecting to obligate the total funding provided in the 2026 appropriations which will support all the expected demand for renewals, which is estimated to be 280,000 units out of the 305,000 total.

Beginning in 2024, Congress granted Rural Development 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. In 2026, Congress provided decoupling authority for up to 5,000 units. The 2027 Budget continues to request decoupling, removing the unit limit, 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. Decoupling RA is aligned with boosting the financial security of rural communities through access to affordable housing. 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.

The requested \$1.795 billion in Section 521 RA funding will support renewals for 248,358 units, which is the estimated expected demand for renewals in 2027. The increase can be attributed to year-over-year cost increases, resulting in a projected average unit cost of \$7,085 compared to the \$6,879 unit cost projected for 2026.

This increase in funding is essential to address the growing need for safe, affordable housing in rural America and to ensure the program's sustainability. Rural inflationary pressure continues to drive higher costs for goods and services, partly due to a lack of housing stock, competition, and employment availability.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

**Table RHS-24. Geographic Breakdown of Obligations for Rental Assistance (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$47,265	\$48,314	-	-
Alaska .....	5,724	6,362	-	-
Arizona .....	20,848	21,170	-	-
Arkansas.....	25,835	31,233	-	-
California .....	182,029	179,211	-	-
Colorado .....	14,179	14,264	-	-
Connecticut.....	9,575	10,415	-	-
Delaware .....	10,183	8,045	-	-
Florida .....	89,808	74,591	-	-
Georgia.....	49,027	55,691	-	-
Hawaii .....	11,090	13,353	-	-
Idaho .....	16,730	16,823	-	-
Illinois .....	35,768	37,295	-	-
Indiana .....	22,128	29,034	-	-
Iowa.....	20,499	25,948	-	-
Kansas.....	12,468	12,312	-	-
Kentucky .....	29,154	42,522	-	-
Louisiana .....	58,204	50,928	-	-
Maine .....	38,441	40,025	-	-
Maryland.....	19,336	23,717	-	-
Massachusetts .....	12,977	13,761	-	-
Michigan .....	35,683	44,211	-	-
Minnesota .....	25,765	26,917	-	-
Mississippi.....	65,311	63,365	-	-
Missouri .....	33,416	38,703	-	-
Montana .....	8,646	9,683	-	-
Nebraska .....	6,316	7,421	-	-
Nevada .....	11,794	10,068	-	-
New Hampshire .....	14,299	14,859	-	-
New Jersey.....	9,441	15,179	-	-
New Mexico.....	21,882	24,264	-	-
New York .....	25,741	29,212	-	-
North Carolina .....	96,875	96,522	-	-
North Dakota.....	5,443	5,872	-	-
Ohio .....	34,021	32,812	-	-
Oklahoma .....	29,121	29,984	-	-
Oregon .....	35,373	33,240	-	-
Pennsylvania .....	38,584	39,839	-	-
Puerto Rico.....	28,003	20,757	-	-
Rhode Island .....	2,949	2,985	-	-
South Carolina.....	47,832	48,892	-	-
South Dakota .....	15,521	11,010	-	-
Tennessee.....	37,975	35,918	-	-
Texas .....	73,613	74,887	-	-
Utah .....	10,452	10,351	-	-
Vermont .....	9,685	10,369	-	-
Virgin Islands .....	7,395	5,051	-	-
Virginia .....	49,313	45,450	-	-
Washington .....	48,363	50,672	-	-
West Virginia.....	20,505	19,402	-	-
Wisconsin.....	21,225	22,694	-	-
Wyoming .....	6,187	6,395	-	-
Distribution Unknown .....	-	-	\$1,715,000	\$1,795,000
Obligations .....	1,608,000	1,642,000	1,715,000	1,795,000
Bal. Available, EOY.....	336	1,921	1,924	1,928

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Total, Available .....	1,608,336	1,643,921	1,716,924	1,796,928

**OBJECT CLASSIFICATION**

**Table RHS-25. Classification by Objects – Discretionary Funding (thousands of dollars)**

<b>Item No.</b>	<b>Item</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
<b>Other Objects:</b>					
41.0	Grants, subsidies, and contributions ....	\$1,608,000	\$1,642,000	\$1,715,000	\$1,795,000
	Total, Other Objects.....	1,608,000	1,642,000	1,715,000	1,795,000
99.9	Total, new obligations.....	1,608,000	1,642,000	1,715,000	1,795,000

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**ACCOUNT 3: RURAL VOUCHER PROGRAM**

**APPROPRIATIONS LANGUAGE**

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

*Rural Housing Voucher Account*

[For the rural housing voucher program as authorized under section 542 of the Housing Act of 1949, but notwithstanding subsection (b) of such section, \$48,000,000, to remain available until expended: Provided, That the funds made available under this heading shall be available for rural housing vouchers to any low-income household (including those not receiving rental assistance) residing in a property financed with a section 515 loan which has been prepaid or otherwise paid off after September 30, 2005, and is not receiving stand-alone section 521 rental assistance: Provided further, That the amount of such voucher shall be the difference between comparable market rent for the section 515 unit and the tenant paid rent for such unit: Provided further, That funds made available for such vouchers shall be subject to the availability of annual appropriations: Provided further, That the Secretary shall, to the maximum extent practicable, administer such vouchers with current regulations and administrative guidance applicable to section 8 housing vouchers administered by the Secretary of the Department of Housing and Urban Development: Provided further, That in addition to any other available funds, the Secretary may expend not more than \$1,000,000 total, from the program funds made available under this heading, for administrative expenses for activities funded under this heading.]

**LEAD-OFF TABULAR STATEMENT**

<b>Item</b>	<b>Amount</b>
Estimate, 2026 .....	\$48,000,000
Change in Appropriation .....	<u>-48,000,000</u>
Budget Estimate, 2027 .....	<u>-</u>

**PROJECT STATEMENTS**

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

<b>Item</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>	<b>Inc. or Dec.</b>	<b>Chg Key</b>
Discretionary Approp:						
Rural housing voucher program and administrative .....	\$48,000	\$48,000	\$48,000		-	-
Total Adjusted Approp .....	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>		-	-48,000
Add back:						
Total Appropriation .....	48,000	48,000	48,000		-	-48,000
Recoveries, Other .....	3,387	5,503	3,400	\$3,200	-	-200
Rescinded Balances .....	-35,000	-12,358	-		-	-
Bal. Available, SOY .....	36,591	9,260	2,033	3,400	+	1,367
Total Available .....	<u>52,978</u>	<u>50,406</u>	<u>53,433</u>	<u>6,600</u>	-	-46,833
Bal. Available, EOY .....	-9,260	-2,033	-3,400	-3,200	+	200
Total Obligations .....	<u>43,718</u>	<u>48,373</u>	<u>50,033</u>	<u>3,400</u>	-	-46,633

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

<b>Item</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>	<b>Inc. or Dec.</b>
Discretionary Obligations:					
RH Voucher Program and Admins. Admins. Exp. (Exp Trfr to S&E) ....	\$42,729	\$47,336	\$49,033	\$3,400	-\$45,633
Total Obligations .....	<u>43,718</u>	<u>48,373</u>	<u>50,033</u>	<u>3,400</u>	-
Balances Available, EOY:					
Vouchers .....	7,923	2,033	3,400	3,200	-200

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.
Vouchers Admins. Expense .....	1,337	0	-	-	-
Total Bal. Available, EOY .....	9,260	2,033	3,400	3,200	-200
Total Available .....	52,978	50,406	53,433	6,600	-46,833
Less:					
Recoveries, Other .....	-3,387	-5,503	-3,400	-3,200	+200
Bal. Available, SOY.....	-36,591	-9,260	-2,033	-3,400	-1,367
Total Appropriation .....	48,000	48,000	48,000	-	-48,000

**JUSTIFICATION OF CHANGES**

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

1. No funding is requested for the Rural Voucher Program (\$48,000,000 available in 2026).

Rural housing vouchers enable tenants in properties that have paid off their USDA 515 Direct Multifamily Housing mortgages or been foreclosed upon to continue to access affordable housing when the benefit of the traditional rental assistance program disappears upon the property's payoff. Funding protects very low- and low-income families who are affected by the loss the assistance, and the requirement that the property offer low rents. No funding is requested for 2027. The need for this assistance is decreasing due to the authority to decouple rental assistance from the USDA 515 Direct Multifamily Housing mortgages at payoff. In addition, between the set of current recipients whose income would not allow them to re-qualify, the value of the voucher diminishing over time, and natural attrition from the program, very few of the current recipients will be affected. For the remaining few, options would include vacancies at other USDA properties with rental assistance, applying for HUD funded housing assistance or other similar programs at the state and local level.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

**Table RHS-28. Geographic Breakdown of Obligations for Vouchers (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$303	\$267	-	-
Alaska .....	51	45	-	-
Arizona .....	662	581	-	-
Arkansas.....	341	563	-	-
California .....	459	431	-	-
Colorado .....	593	531	-	-
Delaware .....	33	21	-	-
Florida .....	1,915	1,430	-	-
Georgia.....	1,249	1,950	-	-
Hawaii .....	33	38	-	-
Idaho .....	892	418	-	-
Illinois .....	1,035	1,115	-	-
Indiana .....	2,613	2,644	-	-
Iowa.....	865	1,304	-	-
Kansas.....	518	395	-	-
Kentucky .....	175	272	-	-
Louisiana .....	254	189	-	-
Maine .....	821	1,519	-	-
Maryland.....	25	20	-	-
Massachusetts .....	236	201	-	-
Michigan .....	7,273	8,311	-	-
Minnesota .....	1,134	1,382	-	-
Mississippi.....	264	210	-	-
Missouri .....	1,157	1,128	-	-
Montana .....	518	586	-	-
Nebraska .....	860	844	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Nevada .....	30	30	-	-
New Hampshire .....	218	649	-	-
New Jersey .....	249	230	-	-
New Mexico .....	269	342	-	-
New York .....	1,179	907	-	-
North Carolina .....	1,566	1,347	-	-
North Dakota .....	350	222	-	-
Ohio .....	618	1,374	-	-
Oklahoma .....	146	173	-	-
Oregon .....	170	129	-	-
Pennsylvania .....	727	1,675	-	-
Puerto Rico.....	5	5	-	-
Rhode Island .....	15	15	-	-
South Carolina .....	1,294	1,969	-	-
South Dakota .....	1,512	1,395	-	-
Tennessee.....	1,112	1,193	-	-
Texas .....	4,242	4,241	-	-
Utah .....	41	269	-	-
Virgin Islands .....	46	30	-	-
Virginia .....	381	292	-	-
Washington .....	1,188	890	-	-
West Virginia .....	67	539	-	-
Wisconsin.....	2,975	2,978	-	-
Wyoming .....	51	44	-	-
Distribution Unknown .....	-	-	\$49,033	\$3,400
Obligations .....	42,729	47,336	49,033	3,400
Bal. Available, EOY .....	7,923	2,033	3,400	3,200
Total, Available .....	50,652	49,369	52,433	6,600

**Table RHS-29. Geographic Breakdown of Obligations for Vouchers Administrative Expenses (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia .....	\$989	\$1,037	-	-
Distribution Unknown .....	-	-	\$1,000	-
Obligations .....	989	1,037	1,000	-
Bal. Available, EOY .....	1,337	0	-	-
Total, Available .....	2,326	1,037	1,000	-

**OBJECT CLASSIFICATION**

**Table RHS-30. Classification by Objects – Discretionary Funding (thousands of dollars)**

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
<b>Other Objects:</b>					
25.3	Other goods and services from Federal sources.....	\$989	\$1,037	\$1,000	-
41.0	Grants, subsidies, and contributions .....	42,729	47,336	49,033	\$3,400
	Total, Other Objects.....	43,718	48,373	50,033	3,400
99.9	Total, new obligations .....	43,718	48,373	50,033	3,400

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

**APPROPRIATIONS LANGUAGE**

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

*Mutual and Self-Help Housing Grants*

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$25,000,000, to remain available until expended.

**LEAD-OFF TABULAR STATEMENT**

**Table RHS-31. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2026 .....	\$25,000,000
Change in Appropriation .....	-
Budget Estimate, 2027.....	<u>25,000,000</u>

**PROJECT STATEMENTS**

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

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
MSHH Grants.....	\$25,000	\$25,000	\$25,000	\$25,000	-	(1)
Subtotal Disc. Approps ...	25,000	25,000	25,000	25,000	-	
Total Appropriation .....	25,000	25,000	25,000	25,000	-	
Recoveries, Other .....	2,762	1,168	-	-	-	
Bal. Available, SOY.....	1,381	182	3,588	-	-\$3,588	
Total Available .....	29,142	26,350	28,588	25,000	-3,588	
Bal. Available, EOY.....	-182	-3,588	-	-	-	
Total Obligations .....	<u>28,960</u>	<u>22,763</u>	<u>28,588</u>	<u>25,000</u>	<u>-3,588</u>	

**Table RHS-33. Project Statement on Basis of Obligations (thousands of dollars)**

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.
Discretionary Obligations:					
MSHH Grants.....	\$28,960	\$22,763	\$28,588	\$25,000	-\$3,588
Subtotal Disc Obligations .....	28,960	22,763	28,588	25,000	-3,588
Total Obligations .....	28,960	22,763	28,588	25,000	-3,588
Balances Available, EOY:					
MSHH Grants.....	182	3,588	-	-	-
Total Bal. Available, EOY .....	182	3,588	-	-	-
Total Available .....	29,142	26,350	28,588	25,000	-3,588
Less:					
Recoveries, Other .....	-2,762	-1,168	-	-	-
Bal. Available, SOY.....	-1,381	-182	-3,588	-	+3,588
Total Appropriation .....	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>

**JUSTIFICATION OF CHANGES**

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

1. No change is requested for the Mutual and Self-Help Housing Grants. (\$25,000,000 available in 2026).

This program provides grant funding to eligible entities to support families who cooperatively build each other's homes. Grant recipients supervise groups of low- and very-low-income individuals and families as they construct their own homes in rural areas. The group members provide most

of the construction labor on each other’s homes, with technical assistance from the organization overseeing the project. Eligible applicants include Government non-profit organizations, Federally recognized Tribes, and private, non-profit organizations. In addition to helping low- and very-low-income families attain homeownership, this program assists in stimulating local economies, providing job training, and fostering community service skills. A funding level of \$25 million would allow the agency to continue to facilitate housing security and community stability in rural areas across the Nation. The program remains important to the agency for advancement of rural prosperity and economic development as indicated by 2025 program obligations totaling \$22.8 million for 29 grants provided to non-profit organizations in rural America. This program is instrumental for reaching out to means-tested populations as they are working with a contractor to build their houses before requesting a section 502 Direct mortgage.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

**Table RHS-34. Geographic Breakdown of Obligations for Mutual and Self-Help Housing Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$1,412	-	-	-
Alaska .....	-	\$1,100	-	-
Arizona .....	-	840	-	-
Arkansas.....	789	197	-	-
California .....	6,250	2,653	-	-
Colorado .....	600	-	-	-
District of Columbia.....	7,360	-	-	-
Florida .....	475	1,270	-	-
Hawaii .....	960	774	-	-
Idaho .....	-	291	-	-
Indiana .....	475	-	-	-
Kentucky .....	-	304	-	-
Louisiana .....	225	-	-	-
Maine .....	1,332	-	-	-
Mississippi.....	-	504	-	-
Montana .....	737	1,008	-	-
New Mexico.....	821	-	-	-
North Carolina .....	277	1,501	-	-
Oregon .....	-	200	-	-
Pennsylvania .....	620	555	-	-
South Dakota .....	613	320	-	-
Texas .....	-	300	-	-
Utah.....	1,566	2,562	-	-
Washington .....	3,869	1,180	-	-
Marshall Islands.....	580	-	-	-
Micronesia.....	-	7,203	-	-
Distribution Unknown .....	-	-	\$28,588	\$25,000
Obligations .....	28,960	22,763	28,588	25,000
Bal. Available, EOY.....	182	3,588	-	-
Total, Available .....	29,142	26,350	28,588	25,000

**Object Classification**

**Table RHS-35. Classification by Objects – Discretionary Funding (thousands of dollars)**

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
41.0	Grants, subsidies, and contributions ....	\$28,960	\$22,763	\$28,588	\$25,000
	Total, Other Objects .....	28,960	22,763	28,588	25,000
99.9	Total, new obligations .....	28,960	22,763	28,588	25,000

**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 and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, and 1490m, [~~\$27,000,000~~]\$26,000,000, to remain available until expended.

**LEAD-OFF TABULAR STATEMENT**

**Table RHS-36. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2026 .....	\$30,000,000
Change in Appropriation .....	-4,000,000
Budget Estimate, 2027.....	<u>26,000,000</u>

**PROJECT STATEMENTS**

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

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
Very Low-Income Housing Repair						
Grants.....	\$25,000	\$25,000	\$21,000	\$20,000	-\$1,000	(1)
Rural Housing Preservation Grants...	10,000	10,000	6,000	6,000	-	(2)
GP Protecting Animals with Shelter ..	3,000	3,000	3,000	0	-3,000	(3)
Subtotal Disc. Approps.....	38,000	38,000	30,000	26,000	-4,000	
Supplemental Approp:						
Housing Repair Grants DAF .....	-	47,208	-	-	-	
Subtotal Supp. Approps .....	-	47,208	-	-	-	
Total Adjusted Approp .....	38,000	85,208	30,000	26,000	-4,000	
Add back:						
Transfers In and Out, Rescissions.....	-	-47,208	-	-	-	
Total Appropriation .....	38,000	38,000	30,000	26,000	-4,000	
Transfers In:						
Disaster Assistance Fund 12X0405...	-	47,208	-	-	-	
Total Transfers In .....	-	47,208	-	-	-	
Balances Interchange.....	-2,560	-	-	-	-	
Recoveries, Other.....	3,165	3,624	2,264	1,305	-959	
Rescinded Balances .....	-28,000	-1,635	-	-	-	
Bal. Available, SOY .....	83,255	40,967	81,002	2,254	-78,748	
Total Available .....	93,860	128,164	113,266	29,559	-83,707	
Bal. Available, EOY .....	-40,967	-81,002	-2,254	-812	+1,442	
Total Obligations .....	52,893	47,162	111,012	28,747	-82,265	

**Table RHS-38. Project Statement on Basis of Obligations (thousands of dollars)**

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.
Discretionary Obligations:					
Very Low-Income Housing Repair Grants .....	\$28,003	\$25,934	\$22,000	\$21,000	-\$1,000
Rural Housing Preservation Grants.....	10,720	9,675	6,900	7,747	+847
GP Protecting Animals with Shelter .....	3,000	3,000	3,000	-	-3,000
Compensation for Construction Defects Grants .....	27	228	274	-	-274
Subtotal Disc Obligations.....	41,751	38,836	32,174	28,747	-3,427
Supplemental Obligations:					
Very Low-Income Housing Repair Grants Disaster (Div N).....	11,043	7,464	30,291	-	-30,291
Rural Housing Preservation Grants Disaster (Div N)	100	111	2,089	-	-2,089
Housing Repair Grants DAF .....	-	750	46,458	-	-46,458
Subtotal Supp Obligations .....	11,143	8,325	78,838	-	-78,838
Total Obligations .....	52,893	47,162	111,012	28,747	-82,265
Add back:					

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.
Balances Available, EOY:					
Rural Housing Preservation Grants.....	323	1,307	1,847	812	-1,034
Very Low-Income Housing Repair Grants .....	1,221	583	407	-	-407
Compensation for Construction Defects Grants .....	497	274	-	-	-
Very Low-Income Housing Repair Grants Disaster (Div N).....	36,775	30,291	-	-	-
Rural Housing Preservation Grants Disaster (Div N) .	2,150	2,089	-	-	-
Housing Repair Grants DAF .....	-	46,458	-	-	-
Total Bal. Available, EOY.....	40,967	81,002	2,254	812	-1,442
Total Available .....	93,860	128,164	113,266	29,559	-83,707
Less:					
Balances Interchange.....	2,560	-	-	-	-
Recoveries, Other.....	-3,165	-3,624	-2,264	-1,305	+959
Rescinded Balances .....	28,000	1,635	-	-	-
Bal. Available, SOY.....	-83,255	-40,967	-81,002	-2,254	+78,748
Total Appropriation .....	38,000	38,000	30,000	26,000	-4,000

**JUSTIFICATION OF CHANGES**

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

1. A decrease of \$1,000,000 for the Very Low-Income Housing Repair Grants (Section 504) program (\$21,000,000 available in 2026).

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. In 2025, RHS obligated nearly \$26 million, as a demonstration of the need and popularity of the Section 504 grant program.

The agency published a Section 504 Direct Single Family Housing Home Repair Loans and Grants Materials Pilot program notice in the Federal Register (89 FR 95079) on December 2, 2024. It is outlined in more detail in the 504 Loan program section. The pilot program is anticipated to continue for two years and then it will be reviewed for possible extension or termination. The agency’s intention with this pilot 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 waiver 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.

The 2027 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. The elderly population is more vulnerable to changes in economic conditions as they have a fixed income.

2. No change for the Rural Housing Preservation Grants (\$6,000,000 available in 2026).

This program strives to improve the quality of existing multi-family housing and some single-family housing units through partnerships with various local public bodies and non-profit organizations. This program supports low-income rural residents for maintaining their houses

free of health hazards and other issues that keep their housing from being decent, safe and affordable.

3. A decrease of \$3,000,000 for the GP Protecting Animals with Shelter (\$3,000,000 available in 2026).

This program is not requested in the 2027 President’s Budget.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

***Table RHS-39. Geographic Breakdown of Obligations for Very Low-Income Housing Repair Grants (thousands of dollars)***

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Alabama .....	\$3,238	\$1,052	-	-
Alaska .....	91	30	-	-
Arizona .....	472	258	-	-
Arkansas.....	429	717	-	-
California .....	458	143	-	-
Colorado .....	189	231	-	-
Connecticut.....	58	91	-	-
Delaware .....	30	5	-	-
Florida .....	626	811	-	-
Georgia.....	319	132	-	-
Guam .....	-	15	-	-
Hawaii .....	29	30	-	-
Idaho .....	89	46	-	-
Illinois .....	2,108	1,635	-	-
Indiana .....	258	317	-	-
Iowa.....	465	339	-	-
Kansas.....	237	361	-	-
Kentucky .....	1,798	855	-	-
Louisiana .....	813	269	-	-
Maine .....	454	471	-	-
Maryland.....	57	77	-	-
Massachusetts .....	30	175	-	-
Michigan .....	1,249	1,120	-	-
Minnesota .....	327	147	-	-
Mississippi.....	936	1,174	-	-
Missouri .....	689	750	-	-
Montana .....	144	92	-	-
Nebraska .....	146	128	-	-
Nevada .....	52	46	-	-
New Hampshire .....	239	183	-	-
New Jersey.....	163	206	-	-
New Mexico .....	10	-	-	-
New York .....	1,172	1,407	-	-
North Carolina .....	1,158	2,603	-	-
North Dakota.....	124	69	-	-
Ohio .....	776	784	-	-
Oklahoma .....	306	220	-	-
Oregon .....	204	149	-	-
Pennsylvania .....	683	1,262	-	-
Puerto Rico.....	73	357	-	-
Rhode Island .....	27	57	-	-
South Carolina.....	396	590	-	-
South Dakota .....	28	10	-	-
Tennessee.....	1,258	1,197	-	-
Texas .....	3,284	3,067	-	-
Utah .....	32	28	-	-
Vermont .....	684	140	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Virginia .....	521	809	-	-
Washington .....	122	219	-	-
West Virginia .....	429	590	-	-
Wisconsin.....	270	366	-	-
Wyoming .....	82	53	-	-
Marshall Islands.....	100	50	-	-
Palau .....	70	-	-	-
Distribution Unknown .....	-	-	\$22,000	\$21,000
Obligations .....	28,003	25,934	22,000	21,000
Bal. Available, EOY .....	1,221	583	407	-
Total, Available .....	29,224	26,517	22,407	21,000

**Table RHS-40. Geographic Breakdown of Obligations for Rural Housing Preservation Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$406	\$288	-	-
Arizona .....	301	216	-	-
Arkansas.....	94	94	-	-
California .....	1,001	850	-	-
Connecticut.....	42	42	-	-
Florida .....	270	271	-	-
Georgia.....	366	308	-	-
Illinois .....	267	179	-	-
Indiana .....	218	179	-	-
Iowa.....	130	130	-	-
Kansas.....	91	75	-	-
Kentucky .....	560	588	-	-
Louisiana .....	357	227	-	-
Maine .....	75	-	-	-
Maryland.....	224	45	-	-
Massachusetts .....	53	-	-	-
Michigan .....	317	-	-	-
Minnesota .....	-	223	-	-
Mississippi.....	230	230	-	-
Missouri .....	250	125	-	-
Montana .....	116	-	-	-
Nebraska .....	62	62	-	-
New Jersey.....	84	151	-	-
New Mexico .....	99	99	-	-
New York .....	294	404	-	-
North Carolina .....	460	845	-	-
North Dakota.....	85	90	-	-
Ohio .....	608	908	-	-
Oklahoma .....	173	87	-	-
Pennsylvania .....	463	176	-	-
Puerto Rico.....	61	-	-	-
South Carolina.....	150	250	-	-
Tennessee.....	457	650	-	-
Texas .....	1,526	1,172	-	-
Vermont .....	127	229	-	-
Virginia .....	136	198	-	-
Washington .....	166	166	-	-
West Virginia .....	67	67	-	-
Wisconsin.....	281	-	-	-
Micronesia.....	50	50	-	-
Distribution Unknown .....	-	-	\$6,900	\$7,747
Obligations .....	10,720	9,675	6,900	7,747
Bal. Available, EOY .....	323	1,307	1,847	812

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Total, Available .....	11,043	10,982	8,747	8,559

**Table RHS-41. Geographic Breakdown of Obligations for Protecting Animals with Shelter (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
California .....	\$500	-	-	-
District of Columbia .....	-	\$3,000	-	-
Kentucky .....	310	-	-	-
Oregon .....	500	-	-	-
Rhode Island .....	500	-	-	-
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-42. Geographic Breakdown of Obligations for Compensation for Construction Defects (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Maine .....	\$3	-	-	-
Michigan .....	-	\$33	-	-
Ohio .....	23	105	-	-
Oklahoma .....	2	-	-	-
Tennessee .....	-	90	-	-
Distribution Unknown .....	-	-	\$274	-
Obligations .....	27	228	274	-
Bal. Available, EOY .....	497	274	-	-
Total, Available .....	524	501	274	-

**Table RHS-43. Geographic Breakdown of Obligations for Very Low-Income Housing Repair Grants Disaster Division N (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska .....	\$43	-	-	-
California .....	265	\$115	-	-
Florida .....	742	892	-	-
Guam .....	315	15	-	-
Hawaii .....	325	-	-	-
Kentucky .....	3,337	2,465	-	-
Minnesota .....	26	-	-	-
Montana .....	23	-	-	-
N. Mariana Islands .....	15	-	-	-
Nebraska .....	133	88	-	-
New Mexico .....	-	5	-	-
North Carolina .....	515	421	-	-
North Dakota .....	81	59	-	-
Oklahoma .....	53	-	-	-
Puerto Rico .....	2,816	1,230	-	-
South Carolina .....	1,601	1,672	-	-
South Dakota .....	9	42	-	-
Tennessee .....	592	459	-	-
Virgin Islands .....	112	-	-	-
Washington .....	15	-	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
West Virginia .....	25	-	-	-
Distribution Unknown .....	-	-	\$30,291	-
Obligations .....	11,043	7,464	30,291	-
Bal. Available, EOY .....	36,775	30,291	-	-
Total, Available .....	47,818	37,756	30,291	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Kentucky .....	\$100	\$50	-	-
Puerto Rico.....	-	61	-	-
Distribution Unknown .....	-	-	\$2,089	-
Obligations .....	100	111	2,089	-
Bal. Available, EOY .....	2,150	2,089	-	-
Total, Available .....	2,250	2,200	2,089	-

**Table RHS-45. Geographic Breakdown of Obligations for Housing Repair Grants DAF (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Puerto Rico.....	-	\$250	-	-
Tennessee.....	-	500	-	-
Distribution Unknown .....	-	-	\$46,458	-
Obligations .....	-	750	46,458	-
Bal. Available, EOY .....	-	46,458	-	-
Total, Available .....	-	47,208	46,458	-

**OBJECT CLASSIFICATION**

**Table RHS-46. Classification by Objects (thousands of dollars)**

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
<b>Other Objects:</b>					
41.0	Grants, subsidies, and contributions ....	\$52,893	\$47,162	\$111,012	\$28,747
	Total, Other Objects .....	52,893	47,162	111,012	28,747
99.9	Total, new obligations .....	52,893	47,162	111,012	28,747

**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[.]

[For the cost of direct loans, loan guarantees and grants, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, for rural community facilities programs as authorized by section 306 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act, \$677,160,846 to remain available until expended, of which \$659,160,846 shall be for the purposes, and in the amounts, specified for this account in the table titled "Community Project Funding/Congressionally Directed Spending" in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act): *Provided*, That \$5,000,000 of the amount appropriated under this heading shall be available for a Rural Community Development Initiative: *Provided further*, That such funds shall be used solely to develop the capacity and ability of private, nonprofit community-based housing and community development organizations, low-income rural communities, and Federally Recognized Native American Tribes to undertake projects to improve housing, community facilities, community and economic development projects in rural areas: *Provided further*, That such funds shall be made available to qualified private, nonprofit and public intermediary organizations proposing to carry out a program of financial and technical assistance: *Provided further*, That such intermediary organizations shall provide matching funds from other sources, including Federal funds for related activities, in an amount not less than funds provided: *Provided further*, That any unobligated balances from prior year appropriations under this heading for the cost of direct loans, loan guarantees and grants, including amounts deobligated or cancelled, may be made available to cover the subsidy costs for direct loans, loan guarantees and or grants under this heading in this fiscal year: *Provided further*, That no amounts may be made available pursuant to the preceding proviso from amounts that were designated by the Congress as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985 or that were specified in the tables titled "Community Project Funding/Congressionally Directed Spending" in the explanatory statements accompanying prior year Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Acts, as described in section 4 in the matter preceding division A of such Acts: *Provided further*, That no amounts may be made available pursuant to the fifth proviso without prior notification and approval of the Committees of Appropriations of both Houses of Congress: *Provided further*, That \$13,000,000 of the amount appropriated under this heading shall be available for community facilities grants, as authorized by section 306(a)(19) of the Consolidated Farm and Rural Development Act, of which \$8,000,000 shall be for grants to tribal colleges as authorized by section 306(a)(25) of such Act]: *Provided[ further]*, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the funds made available under this heading[: *Provided further*, That in addition to any other available funds, the Secretary may expend not more than \$1,000,000 total, from the program funds made available under this heading, for administrative expenses for activities funded under this heading].

**Change Description**

*The first change* (lines 5-36 of paragraph 2) deleted the appropriations language for the Community Facility direct and guarantees and Grants of Section 502, 306 of the Consolidated Farm and Rural Development Act; and deleted the appropriations language for Rural Community Development Initiative and Community Facilities Grants programs.

The second change (Line 38-40) deleted the language that the Secretary may expend no more than \$1,000,000 total from the programs funds made available for administrative expenses.

**LEAD-OFF TABULAR STATEMENT**

**Table RHS-47. Lead-Off Tabular Statement (In dollars)**

<b>Item</b>	<b>Grants</b>	<b>Loan Level</b>	<b>Administrative Expenses</b>
Estimate, 2026 .....	\$676,160,846	\$1,900,000,000	\$1,000,000
Change in Appropriation .....	-676,160,846	-	-1,000,000
Budget Estimate, 2027 .....	-	1,900,000,000	-

2027 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE

**PROJECT STATEMENTS**

**Table RHS-48. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2024 Actual PL	2024		2025		2026		FT E	2027		PL Inc. or Dec.	Ch g Ke y	BA Inc. or Dec.	FTE Inc. or Dec.
		Actual	BA	Actual	Actual	Estimated	Estimated		Estimated	Estimated				
Discretionary Approp:														
Community Facilities (CF) Direct Loans.....	\$2,800,000	-	\$989,286	\$11,080	-	\$1,250,000	-	-	\$1,250,000	-	-	(1)	-	-
CF Guaranteed Loans.....	650,000	-	650,000	-	-	650,000	-	-	650,000	-	-	(2)	-	-
CF Grants.....	4,000	\$4,000	4,000	4,000	-	4,000	\$4,000	-	-	-	-	-\$4,000 (3)	-\$4,000 (3)	-
CF Administrative Expenses.....	1,000	1,000	1,000	1,000	4	1,000	1,000	2	-	-	-	-1,000 (4)	-1,000 (4)	-2
Rural Community Development Initiative														
Grants.....	5,000	5,000	5,000	5,000	-	5,000	5,000	-	-	-	-	-5,000 (5)	-5,000 (5)	-
Tribal College Grants.....	8,000	8,000	8,000	8,000	-	8,000	8,000	-	-	-	-	-8,000 (6)	-8,000 (6)	-
CF Grants CPF/CDS.....	-	-	-	-	-	659,161	659,161	-	-	-	-	-659,161 (7)	-659,161 (7)	-
Subtotal.....	3,468,000	18,000	1,657,286	29,080	4	2,577,161	677,161	2	1,900,000	-	-	-677,161	-677,161	-2
Supplemental Approp:														
Community Facilities Grants DAF.....	-	-	69,085	69,085	-	-	-	-	-	-	-	-	-	-
Subtotal.....	-	-	69,085	69,085	-	-	-	-	-	-	-	-	-	-
Offsetting Collections:														
CF Grants CPF/CDS from NEF.....	505,024	505,024	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal.....	505,024	505,024	-	-	-	-	-	-	-	-	-	-	-	-
Total Adjusted Approp.....	3,973,024	523,024	1,726,371	98,165	4	2,577,161	677,161	2	1,900,000	-	-	-677,161	-677,161	-2
Add back:														
Transfers In and Out, Rescissions.....	-505,024	-505,024	1,058,371	-80,165	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	3,468,000	18,000	668,000	18,000	4	2,577,161	677,161	2	1,900,000	-	-	-677,161	-677,161	-2
Transfers In:														
CF Grants CPF/CDS from NEF.....	505,024	505,024	-	-	-	-	-	-	-	-	-	-	-	-
Rural Housing Insurance Fund 12X2081 (GP 1206).....	-	-	564,821	6,326	-	-	-	-	-	-	-	-	-	-
Rural Electrification and Telecommunications 12X1230 (GP 1206).....	-	-	357,143	4,000	-	-	-	-	-	-	-	-	-	-
Rural Business Programs 12X1902 (GP 1206).....	-	-	67,321	754	-	-	-	-	-	-	-	-	-	-
Disaster Assistance Fund 12X0405.....	-	-	69,085	69,085	-	-	-	-	-	-	-	-	-	-
Total Transfers In.....	505,024	505,024	1,058,371	80,165	-	-	-	-	-	-	-	-	-	-
Balances Interchange.....	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries, Other.....	8,185	8,459	3,556	3,556	-	2,097	2,097	-	1,021	\$1,021	-	-1,076	-1,076	-
Bal. Available, SOY.....	399,012	441,558	612,455	612,455	-	401,507	401,507	-	296,455	296,455	-	-105,052	-105,052	-
Total Available.....	4,381,221	974,041	2,342,381	714,176	4	2,980,765	1,080,765	2	2,197,476	297,476	-	-783,289	-783,289	-2
Lapsing Balances.....	-2,688,146	-3,704	-697,115	-65	-	-450,000	-	-	-200,000	-	-	+250,000	-	-
Bal. Available, EOY.....	-609,801	-612,455	-401,507	-401,507	-	-296,455	-296,455	-	-5,911	-5,911	-	+290,544	+290,544	-
Total Obligations.....	1,083,274	357,882	1,243,760	312,604	4	2,234,310	784,310	2	1,991,565	291,565	-	-242,745	-492,745	-2

**Table RHS-49. Project Statement on Basis of Obligations (thousands of dollars)**

Item	2024 Actual PL	2024		2025		2026		FT E	2027		PL Inc. or Dec.	BA Inc. or Dec.	FTE Inc. or Dec.
		Actual	BA	Actual	Actual	Estimated	Estimated		Estimated	Estimated			
Discretionary Obligations:													
CF Direct Loans.....	\$720,604	-	-	\$500,017	\$5,600	-	\$1,250,000	-	-	\$1,250,000	-	-	-

2027 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE RURAL HOUSING SERVICE

Item	2024			2025			2026			2027			PL Inc. or Dec.	BA Inc. or Dec.	FTE Inc. or Dec.
	Actual	2024 Actual BA	FTE	Actual	2025 Actual BA	FTE	Estimated	2026 Estimated BA	FTE	Estimated	2027 Estimated BA	FTE			
CF Direct Loans Annual .....	-	-	-	351,335	3,935	-	-	-	-	-	-	-	-	-	-
CF Guaranteed Loans.....	44,954	-	-	89,339	-	-	200,000	-	-	450,000	-	-	+250,000	-	-
CF Modification Cost .....	-	\$40,167	-	-	-	-	-	-	-	-	-	-	-	-	-
CF Grants.....	5,561	5,561	-	5,200	5,200	-	5,900	\$5,900	-	758	\$758	-	-5,142	-\$5,142	-
Rural Community Development Initiative Grants .....	6,747	6,747	-	-	-	-	9,900	9,900	-	850	850	-	-9,050	-9,050	-
Tribal College Grants .....	8,064	8,064	-	8,316	8,316	-	8,100	8,100	-	263	263	-	-7,837	-7,837	-
CF Disaster Grants .....	2,584	2,584	-	589	589	-	2,230	2,230	-	-	-	-	-2,230	-2,230	-
Essential CF TAT Grants .....	540	540	-	-	-	-	720	720	-	-	-	-	-720	-720	-
Economic Impact Initiative Grants.....	1,240	1,240	-	-	-	-	268	268	-	-	-	-	-268	-268	-
CF Grants CPF/CDS .....	223,770	223,770	-	47,882	47,882	-	500,000	500,000	-	233,601	233,601	-	-266,399	-266,399	-
CF Admin Expenses .....	15	15	-	733	733	4	252	252	2	-	-	-	-252	-252	-2
Subtotal Disc oblig.....	1,014,080	288,688	-	1,003,411	72,255	4	1,977,371	527,371	2	1,935,473	235,473	-	-41,898	-291,898	-2
Supplemental Obligations:															
CF Grants (Div N).....	3	3	-	-	-	-	-	-	-	-	-	-	-	-	-
CF Grants Disaster (Div N) .....	11,416	11,416	-	29,192	29,192	-	7,855	7,855	-	-	-	-	-7,855	-7,855	-
CF Grants DAF .....	-	-	-	-	-	-	69,085	69,085	-	-	-	-	-69,085	-69,085	-
Subtotal Supp Oblig.....	11,420	11,420	-	29,192	29,192	-	76,940	76,940	-	-	-	-	-76,940	-76,940	-
Offsetting Collections:															
CF CPF/CDS from NEF.....	57,775	57,775	-	211,157	211,157	-	180,000	180,000	-	56,092	56,092	-	-123,908	-123,908	-
Subtotal Offsetting Collections .....	57,775	57,775	-	211,157	211,157	-	180,000	180,000	-	56,092	56,092	-	-123,908	-123,908	-
Total Obligations .....	1,083,274	357,882	-	1,243,760	312,604	4	2,234,310	784,310	2	1,991,565	291,565	-	-242,745	-492,745	-2
Add back:															
Lapsing Balances .....	2,688,146	3,704	-	697,115	65	-	450,000	-	-	200,000	-	-	-250,000	-	-
Balances Available, EOY:															
CF Direct Loans.....	-	19	-	1,499	1,499	-	1,499	1,499	-	1,499	1,499	-	-	-	-
CF Guaranteed Loans.....	-	2,635	-	2,635	2,635	-	2,827	2,827	-	3,962	3,962	-	+1,135	+1,135	-
CF Grants.....	706	706	-	1,624	1,624	-	414	414	-	200	200	-	-214	-214	-
CF Administrative Expenses.....	985	985	-	252	252	-	1,000	1,000	-	-	-	-	-1,000	-1,000	-
Rural Community Development Initiative Grants .....	110	110	-	5,357	5,357	-	776	776	-	150	150	-	-626	-626	-
Tribal College Grants .....	254	254	-	177	177	-	245	245	-	100	100	-	-145	-145	-
Essential CF TAT Grants .....	-	-	-	720	720	-	-	-	-	-	-	-	-	-	-
Economic Impact Initiative Grants.....	150	150	-	219	219	-	-	-	-	-	-	-	-	-	-
Disaster Relief Grants P.L. 116-20.....	1,027	1,027	-	1,551	1,551	-	-	-	-	-	-	-	-	-	-
CF Grants CPF/CDS .....	122,273	122,273	-	74,440	74,440	-	233,601	233,601	-	-	-	-	-233,601	-233,601	-
CF Grants Disaster (Div N) .....	37,047	37,047	-	7,855	7,855	-	-	-	-	-	-	-	-	-	-
CF Grants CPF/CDS NEF.....	447,249	447,249	-	236,092	236,092	-	56,092	56,092	-	-	-	-	-56,092	-56,092	-
CF Grants DAF .....	-	-	-	69,085	69,085	-	-	-	-	-	-	-	-	-	-
Total Bal. Available, EOY.....	609,801	612,455	-	401,507	401,507	-	296,455	296,455	-	5,911	5,911	-	-290,544	-290,544	-
Total Available .....	4,381,221	974,041	-	2,342,381	714,176	4	2,980,765	1,080,765	2	2,197,476	297,476	-	-783,289	-783,289	-2
Less:															
Total Transfers In.....	-505,024	-505,024	-	-1,058,371	-80,165	-	-	-	-	-	-	-	-	-	-
Balances Interchange .....	-1,000	-1,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries, Other .....	-8,185	-8,459	-	-3,556	-3,556	-	-2,097	-2,097	-	-1,021	-1,021	-	+1,076	+1,076	-
Bal. Available, SOY.....	-399,012	-441,558	-	-612,455	-612,455	-	-401,507	-401,507	-	-296,455	-296,455	-	+105,052	+105,052	-
Total Appropriation.....	3,468,000	18,000	-	668,000	18,000	4	2,577,161	677,161	2	1,900,000	-	-	-677,161	-677,161	-2

**JUSTIFICATION OF CHANGES**

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

**Rural Community Facilities Program**1. No change for Direct Community Facility (CF) Loans (\$1,250,000,000 available in 2026).

This negative-subsidy program provides low-interest, direct loans to public bodies, community-based nonprofit corporations, and Federally recognized Tribes to develop essential community facilities in rural areas. A funding level of \$1.25 billion for the direct loan program will continue to strengthen rural communities across America, delivering this critical program to communities to meet infrastructure needs. The loan level is projected to meet anticipated demand and can be delivered with the existing staffing levels. Continued leveraging of financial resources from the capital credit markets and other funding partners will ensure this program's success.

Direct loans are primarily targeted at health care, education, and public safety. This program obligated \$851.3 million in 2025 across the regular direct funding and the direct annual funding. The states with the largest investments in 2025 are Indiana, Kentucky, Michigan, Ohio, and Wisconsin.

A funding level of \$1.25 billion for the direct loan program will provide robust funding for 2027 and will continue to strengthen rural communities across America to deliver this critical program to communities to meet infrastructure needs. At this funding level in 2027 will support approximately 344 loans.

2. No change for Guaranteed Community Facility (CF) Loans (\$650,000,000 available in 2026).

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

This program obligated \$89.3 million in 2025 across seven states with guaranteed loans ranging from \$780,000 to \$40 million. 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.

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. The loan level is projected to meet anticipated demand and can be delivered with the existing staffing levels. Continued leveraging of financial resources from the capital credit markets and other funding partners will ensure this programs success.

3. A decrease of \$4,000,000 for the Community Facilities Grants (\$4,000,000 available in 2026).

This program is not requested in the 2027 President's Budget because the funding for the competitive portion of these grants has been overtaken by Congressionally Directed Spending (CDS) for the grants. Full funding for the CF direct loan will provide sufficient investment for infrastructure in rural areas.

4. A decrease of \$1,000,000 for the Community Facilities Administrative Expenses (\$1,000,000 available in 2026).

This program is not requested in the 2027 President's Budget.

5. A decrease of \$5,000,000 for the Rural Community Development Initiative Grants (\$5,000,000 available in 2026).

This program is not requested in the 2027 President’s Budget.

6. A decrease of \$8,000,000 for the Tribal College Grants (\$8,000,000 available in 2026).

This program is not requested in the 2027 President’s Budget.

7. A decrease of \$659,160,846 for the Community Facilities Grants Congressionally Directed Spending (CDS)/Community Project Funding (CPF) (\$659,160,846 available in 2026).

This program is not requested in the 2027 President’s Budget. For decades, economically challenged rural communities have benefited from low-cost loans to fund important community facilities, like ambulances and fire stations. These communities have faithfully paid off their loans to the government, or they are currently paying them off (balance of \$13 billion) at a low interest rate that makes them affordable, but at the same time at low- or no-cost to the taxpayers. That all started to change in 2022 when Congress decided to provide \$189 million for hundreds of Congressionally Directed community facilities grants. What was historically a program providing low-cost credit to rural communities for decades has now become special interest earmarked taxpayer grants to communities. The Congressionally directed spending has grown to \$659 million in earmarked grants for FY 26. The Budget rejects this use of taxpayer funded grants for these favored communities, and, instead, promotes low-cost lending that is awarded based on most rural and most poor and ranked based on regulatory criteria by providing a direct loan level of \$1.2 billion and \$650 million in loan guarantees.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

**Table RHS-50. Geographic Breakdown of Obligations for Community Facilities Direct Loans (thousands of dollars)**

<b>State/Territory/Country</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimated</b>	<b>2027 Estimated</b>
Alabama .....	\$13,000	\$1,497	-	-
California .....	55,632	-	-	-
Colorado .....	18,699	-	-	-
Florida .....	2,575	-	-	-
Georgia.....	5,704	-	-	-
Hawaii .....	22,900	-	-	-
Idaho .....	-	3,879	-	-
Illinois .....	9,350	-	-	-
Indiana.....	-	170	-	-
Iowa.....	33,300	37,500	-	-
Kansas.....	-	3,882	-	-
Kentucky .....	391	53,460	-	-
Louisiana .....	35,459	-	-	-
Maine .....	377	14,500	-	-
Michigan .....	29,392	85,406	-	-
Minnesota .....	6,049	9,735	-	-
Mississippi.....	10,779	1,244	-	-
Missouri .....	10,679	-	-	-
Montana .....	32,150	28,200	-	-
Nebraska .....	13,962	27,463	-	-
Nevada .....	263	-	-	-
New Jersey.....	1,391	-	-	-
New York .....	18,398	11,243	-	-
North Carolina .....	44,757	31,942	-	-
North Dakota.....	5,850	-	-	-
Ohio .....	12,789	79,304	-	-
Oklahoma .....	56,520	18,400	-	-
Pennsylvania .....	54,614	7,285	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Puerto Rico.....	1,726	3,764	-	-
South Carolina.....	67,190	-	-	-
South Dakota.....	705	1,853	-	-
Tennessee.....	120,713	19,905	-	-
Texas.....	6,785	-	-	-
Vermont.....	5,500	-	-	-
Virginia.....	2,186	-	-	-
Washington.....	4,970	-	-	-
West Virginia.....	15,065	35,385	-	-
Wisconsin.....	785	24,000	-	-
Distribution Unknown.....	-	-	\$1,250,000	\$1,250,000
Obligations.....	720,604	500,017	1,250,000	1,250,000
Lapsing Balances.....	2,079,396	132,126	-	-
Total, Available.....	2,800,000	632,143	1,250,000	1,250,000

**Table RHS-51. Geographic Breakdown of Obligations for Community Facilities Direct Loans Annual (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Connecticut.....	-	\$18,656	-	-
Florida.....	-	47,714	-	-
Indiana.....	-	68,405	-	-
Kentucky.....	-	73,800	-	-
Michigan.....	-	1,950	-	-
Minnesota.....	-	3,715	-	-
Nebraska.....	-	58	-	-
Nevada.....	-	2,711	-	-
North Carolina.....	-	2,762	-	-
North Dakota.....	-	435	-	-
Ohio.....	-	341	-	-
Pennsylvania.....	-	3,914	-	-
South Carolina.....	-	6,910	-	-
Tennessee.....	-	13,764	-	-
Washington.....	-	11,199	-	-
Wisconsin.....	-	95,000	-	-
Distribution Unknown.....	-	-	-	-
Obligations.....	-	351,335	-	-
Lapsing Balances.....	-	5,808	-	-
Total, Available.....	-	357,143	-	-

**Table RHS-52. Geographic Breakdown of Obligations for Community Facilities Guaranteed Loans (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Colorado.....	\$5,000	-	-	-
Hawaii.....	1,000	-	-	-
Kansas.....	21,650	-	-	-
Kentucky.....	-	\$3,000	-	-
Louisiana.....	5,000	-	-	-
Mississippi.....	-	47,802	-	-
Montana.....	-	4,000	-	-
New Hampshire.....	-	780	-	-
New York.....	4,590	-	-	-
Ohio.....	-	20,400	-	-
Oklahoma.....	6,684	-	-	-
South Carolina.....	1,030	-	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Tennessee.....	-	3,357	-	-
Wisconsin.....	-	10,000	-	-
Distribution Unknown .....	-	-	\$200,000	\$450,000
Obligations .....	44,954	89,339	200,000	450,000
Lapsing Balances.....	605,046	560,661	450,000	200,000
Total, Available .....	650,000	650,000	650,000	650,000

**Table RHS-53. Geographic Breakdown of Obligations for Community Facilities Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$235	\$289	-	-
Alaska .....	47	-	-	-
Arkansas.....	245	335	-	-
California .....	197	100	-	-
Delaware .....	47	13	-	-
Florida .....	154	35	-	-
Georgia.....	17	-	-	-
Hawaii .....	100	-	-	-
Idaho .....	46	-	-	-
Illinois .....	92	67	-	-
Iowa.....	47	192	-	-
Kansas.....	47	-	-	-
Kentucky .....	179	116	-	-
Louisiana .....	120	109	-	-
Maine .....	50	50	-	-
Maryland.....	47	32	-	-
Massachusetts .....	75	-	-	-
Michigan .....	136	55	-	-
Minnesota .....	74	50	-	-
Mississippi.....	47	50	-	-
Missouri .....	194	129	-	-
Montana .....	47	-	-	-
Nebraska .....	47	186	-	-
Nevada .....	39	50	-	-
New Hampshire .....	47	-	-	-
New Jersey.....	85	85	-	-
New Mexico.....	-	72	-	-
New York .....	238	253	-	-
North Carolina .....	97	392	-	-
North Dakota.....	290	474	-	-
Ohio .....	245	50	-	-
Oklahoma .....	147	671	-	-
Pennsylvania .....	198	175	-	-
Puerto Rico.....	98	-	-	-
Rhode Island .....	25	-	-	-
South Carolina.....	371	150	-	-
South Dakota .....	160	314	-	-
Tennessee.....	239	115	-	-
Texas .....	191	422	-	-
Utah.....	94	-	-	-
Vermont .....	440	52	-	-
Virginia .....	87	-	-	-
Washington .....	47	25	-	-
West Virginia.....	92	94	-	-
Wisconsin.....	47	-	-	-
Distribution Unknown .....	-	-	\$5,900	\$758

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Obligations .....	5,561	5,200	5,900	758
Bal. Available, EOY .....	706	1,624	414	200
Total, Available .....	6,267	6,824	6,314	958

**Table RHS-54. Geographic Breakdown of Obligations for Rural Community Development Initiative Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
California .....	\$750	-	-	-
Delaware .....	254	-	-	-
Georgia.....	132	-	-	-
Iowa.....	150	-	-	-
Kansas.....	250	-	-	-
Kentucky .....	450	-	-	-
Maryland .....	873	-	-	-
Massachusetts .....	499	-	-	-
Missouri .....	390	-	-	-
New York .....	700	-	-	-
Puerto Rico.....	1,000	-	-	-
Tennessee.....	250	-	-	-
Vermont .....	550	-	-	-
Virginia .....	500	-	-	-
Distribution Unknown .....	-	-	\$9,900	\$850
Obligations .....	6,747	-	9,900	850
Bal. Available, EOY .....	110	\$5,357	776	150
Total, Available .....	6,857	5,357	10,676	1,000

**Table RHS-55. Geographic Breakdown of Obligations for Tribal College Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska .....	\$278	\$265	-	-
Arizona .....	556	530	-	-
Michigan .....	556	681	-	-
Minnesota .....	835	796	-	-
Montana .....	1,665	1,856	-	-
Nebraska .....	556	530	-	-
New Mexico .....	556	504	-	-
North Dakota.....	1,113	1,326	-	-
Oklahoma .....	278	252	-	-
South Dakota .....	835	796	-	-
Washington .....	278	249	-	-
Wisconsin.....	556	530	-	-
Distribution Unknown .....	-	-	\$8,100	\$263
Obligations .....	8,064	8,316	8,100	263
Bal. Available, EOY .....	254	177	245	100
Total, Available .....	8,318	8,493	8,345	363

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$31	-	-	-
Iowa.....	164	-	-	-
Kansas.....	100	-	-	-
Kentucky .....	-	\$347	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Maryland.....	876	-	-	-
Minnesota .....	109	-	-	-
Mississippi.....	129	-	-	-
New York .....	40	-	-	-
North Carolina .....	95	-	-	-
Puerto Rico.....	-	241	-	-
South Carolina.....	74	-	-	-
South Dakota .....	147	-	-	-
Tennessee.....	232	-	-	-
Virginia .....	318	-	-	-
Washington .....	270	-	-	-
Distribution Unknown .....	-	-	\$2,230	-
Obligations .....	2,584	589	2,230	-
Bal. Available, EOY .....	1,027	1,551	-	-
Total, Available .....	3,611	2,140	2,230	-

**Table RHS-57. Geographic Breakdown of Obligations for Essential Community Technical and Training (TAT) Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska .....	\$48	-	-	-
Maine .....	44	-	-	-
Michigan .....	150	-	-	-
Minnesota .....	80	-	-	-
New Hampshire .....	68	-	-	-
Tennessee.....	150	-	-	-
Distribution Unknown .....	-	-	\$720	-
Obligations .....	540	-	720	-
Bal. Available, EOY .....	-	\$720	-	-
Total, Available .....	540	720	720	-

**Table RHS-58. Geographic Breakdown of Obligations for Economic Impact Initiative Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$94	-	-	-
Arkansas.....	199	-	-	-
Illinois .....	174	-	-	-
Iowa.....	153	-	-	-
New York .....	260	-	-	-
North Carolina .....	200	-	-	-
Oklahoma .....	30	-	-	-
Pennsylvania .....	50	-	-	-
Texas .....	80	-	-	-
Distribution Unknown .....	-	-	\$268	-
Obligations .....	1,240	-	268	-
Bal. Available, EOY .....	150	\$219	-	-
Total, Available .....	1,389	219	268	-

**Table RHS-59. Geographic Breakdown of Obligations for Community Facilities Community Project Grants (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$375	-	-	-
Alaska .....	20,087	-	-	-
Arizona .....	4,440	\$1,375	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
California .....	-	6,900	-	-
Colorado .....	8,575	-	-	-
Connecticut .....	3,280	-	-	-
Delaware .....	-	100	-	-
Florida .....	3,885	4,132	-	-
Georgia .....	2,129	4,052	-	-
Guam .....	3,000	-	-	-
Hawaii .....	-	2,500	-	-
Idaho .....	3,900	-	-	-
Illinois .....	8,073	210	-	-
Kansas .....	-	1,686	-	-
Kentucky .....	300	-	-	-
Louisiana .....	3,713	-	-	-
Maine .....	16,882	100	-	-
Maryland .....	636	396	-	-
Massachusetts .....	1,053	-	-	-
Michigan .....	6,781	2,000	-	-
Midway Islands .....	-	-	-	-
Minnesota .....	3,701	1,300	-	-
Mississippi .....	12,350	554	-	-
Missouri .....	1,425	4,000	-	-
N. Mariana Islands .....	-	4,579	-	-
Nebraska .....	1,000	-	-	-
Nevada .....	615	4,575	-	-
New Hampshire .....	5,706	487	-	-
New Jersey .....	330	-	-	-
New Mexico .....	3,054	-	-	-
New York .....	5,200	440	-	-
North Carolina .....	16,000	-	-	-
Ohio .....	6,439	1,387	-	-
Oregon .....	1,475	412	-	-
Pennsylvania .....	6,787	-	-	-
Rhode Island .....	7,275	-	-	-
South Carolina .....	703	-	-	-
Texas .....	10,202	660	-	-
Utah .....	1,000	-	-	-
Vermont .....	6,303	109	-	-
Virginia .....	617	-	-	-
Washington .....	3,386	4,022	-	-
West Virginia .....	11,268	435	-	-
Wisconsin .....	31,826	1,473	-	-
Distribution Unknown .....	-	-	\$500,000	\$233,601
Obligations .....	223,770	47,882	500,000	233,601
Bal. Available, EOY .....	122,273	74,440	233,601	-
Total, Available .....	346,043	122,323	733,601	233,601

**Table RHS-60. Geographic Breakdown of Obligations for Community Facilities Administration Expenses (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	FTE	2026 Estimated	FTE	2027 Estimated	FTE
District of Columbia .....	\$15	\$733	4	\$252	2	-	-
Distribution Unknown .....	-	-	-	-	-	-	-
Obligations .....	15	733	4	252	2	-	-
Bal. Available, EOY .....	985	252	-	1,000	-	-	-
Total, Available .....	1,000	985	4	1,252	2	-	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Montana .....	\$3	-	-	-
Obligations .....	3	-	-	-
Total, Available .....	3	-	-	-

**Table RHS-62. Geographic Breakdown of Obligations for Community Facilities Disaster Grants Division N (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
California .....	\$900	\$2,738	-	-
Florida .....	-	159	-	-
Hawaii .....	282	-	-	-
Iowa.....	-	23	-	-
Kentucky .....	30	62	-	-
Maine .....	-	4,500	-	-
Maryland.....	250	-	-	-
Minnesota .....	106	-	-	-
Missouri .....	40	-	-	-
New York .....	175	-	-	-
North Dakota.....	-	78	-	-
Ohio .....	-	15,800	-	-
Oklahoma .....	247	-	-	-
Puerto Rico.....	3,314	5,781	-	-
South Carolina.....	4,600	-	-	-
South Dakota .....	353	-	-	-
Tennessee.....	1,120	52	-	-
Distribution Unknown .....	-	-	\$7,855	-
Obligations .....	11,416	29,192	7,855	-
Bal. Available, EOY .....	37,047	7,855	-	-
Total, Available .....	48,463	37,047	7,855	-

**Table RHS-63. Geographic Breakdown of Obligations for Community Facilities Community Projects NEF (thousands of dollars)**

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama .....	\$1,500	\$11,338	-	-
Alaska .....	8,148	1,500	-	-
Arizona .....	-	1,297	-	-
Arkansas.....	-	1,030	-	-
California .....	1,500	8,438	-	-
Colorado .....	1,000	2,487	-	-
Connecticut.....	-	4,125	-	-
Delaware .....	-	685	-	-
Florida .....	-	287	-	-
Georgia.....	-	8,908	-	-
Guam .....	-	1,204	-	-
Hawaii .....	-	2,988	-	-
Idaho .....	-	6,156	-	-
Illinois .....	3,500	3,540	-	-
Iowa.....	2,909	3,111	-	-
Kansas.....	-	250	-	-
Kentucky .....	-	1,508	-	-
Louisiana .....	-	2,546	-	-
Maine .....	5,273	26,528	-	-
Maryland.....	-	5,310	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Massachusetts .....	-	10,050	-	-
Michigan .....	1,448	8,626	-	-
Minnesota .....	-	2,186	-	-
Mississippi.....	-	3,100	-	-
Missouri .....	3,000	-	-	-
Montana .....	-	1,088	-	-
N. Mariana Islands .....	-	2,500	-	-
Nebraska .....	200	2,652	-	-
Nevada .....	-	3,147	-	-
New Hampshire .....	1,000	4,438	-	-
New Jersey.....	-	3,132	-	-
New Mexico.....	605	4,560	-	-
New York .....	6,650	3,880	-	-
North Carolina .....	3,972	-	-	-
Ohio .....	2,606	18,770	-	-
Oklahoma .....	-	6,000	-	-
Oregon .....	-	2,076	-	-
Pennsylvania .....	-	10,287	-	-
South Carolina.....	-	1,000	-	-
Tennessee.....	2,513	3,750	-	-
Texas .....	-	6,800	-	-
Utah.....	468	-	-	-
Vermont .....	-	8,644	-	-
Virginia.....	801	3,181	-	-
Washington .....	5,038	1,655	-	-
West Virginia.....	3,644	3,272	-	-
Wisconsin.....	2,000	3,126	-	-
Distribution Unknown .....	-	-	\$180,000	\$56,092
Obligations .....	57,775	211,157	180,000	56,092
Bal. Available, EOY .....	447,249	236,092	56,092	-
Total, Available .....	505,024	447,249	236,092	56,092

**OBJECT CLASSIFICATION**

**Table RHS-64. Classification by Objects – Discretionary Funding (thousands of dollars)**

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
<b>Personnel Compensation:</b>					
	Personnel Compensation, Field .....	-	\$555	\$151	-
11	Total personnel compensation.....	-	555	151	-
12	Personal benefits .....	-	161	100	-
	Total, personnel comp. and benefits .	-	716	252	-
<b>Other Objects:</b>					
21.0	Travel and transportation of persons ...	\$15	17	-	-
41.0	Grants, subsidies, and contributions....	357,867	311,871	784,059	\$291,565
	Total, Other Objects .....	357,882	311,888	784,059	291,565
99.9	Total, new obligations .....	357,882	312,604	784,310	291,565

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**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 Rural prosperity through these programs which improves the quality of life for rural American families.

**Single Family Housing Programs****Current Activities**

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 modest, decent, safe, sanitary, and affordable housing. In 2025, RHS supported 48,325 SFH loans, grants, and loan guarantees totaling \$9.2 billion in obligations, as detailed in the following sections.

**Selected Examples of Recent Progress****Single Family Housing Direct Loan Program (SFHDLP)**

Under the Single-Family Housing Direct Loan Program (SFHDLP), also known as the Section 502 Direct Loan Program, RHS directly underwrites and services fixed-interest mortgage loans to low- and very low-income individuals and families who are unable to obtain credit elsewhere. Funds may be used to purchase, build, renovate, or repair a home, and to prepare a site, including providing water and sewage facilities. The program also provides “supervised credit,” including pre-loan and post-loan credit counseling, to borrowers to help them maintain their homes during financial crises. Loans are subsidized at a graduated interest rate from one percent over Treasury’s cost of money, depending on the applicant’s income. Applicants may obtain 100 percent financing and loans are for up to 33 years (38 years for those with incomes below 60 percent of the area median household income and the longer term is necessary to show repayment ability). Interest rates are determined so that a family pays from 22 to 26 percent of their income for principal, interest, taxes, and insurance (PITI). To make loans more affordable, Rural Development (RD) funding can be combined/leveraged with other programs.

**2025 data for the SFHDLP:**

- **Total Obligations:** RHS obligated \$752.8 million and supported 2,756 SFH Direct Loans.
- **Borrower Income Eligibility:** Total obligations include \$286.3 million for very low-income borrowers, and \$461.8 million for low-income borrowers.
- **Persistent Poverty:** In the SFH Direct Loan portfolio approximately 11.2 percent or about \$84 million of obligations occurred in counties with persistent poverty.

In 2025, the agency obligated \$4.6 million for the Section 502 SFH Native American Relending Pilot Program. The agency published the funding opportunity notice on July 18, 2025 (90 FR 33913), in the Federal Register. These loans are made to qualify Native Community Development Financial Institutions to relend funds to low- and very low-income ultimate recipients to acquire, build, rehabilitate, improve, or relocate dwellings on Tribal Land in rural areas. These funds went to: Alaska, Hawaii, Michigan, Montana, South Dakota, and Washington. The largest investment for this program went to South Dakota.

**Single Family Housing Guaranteed Loan Program (SFHGLP)**

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 mortgage lenders to eligible applicants to build new dwellings or purchase existing homes, including new or existing

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.
- Affordable new construction terms.
- 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

**Current Activities**

In 2025 the total number of SFHGLP loans and obligations were as follows: Total SFH Guaranteed loans combined: 41,012 loans with total program level obligations of \$8.4 billion including 529 refinanced loans totaling \$110.3 million.

**Table RHS-65. 2025 data for SFH programs not previously addressed is provided in the table below:**

<b>Program</b>	<b>Total Obligated (Dollars in Million)</b>	<b>Total Number of Loans or Grants</b>
Single Family Housing Guaranteed Loan Program	\$ 8,350.7	41,012
Other Single Family Housing Programs	80.3	4,604
Sec. 509 Compensation for Construction Defects	0.2	4
Sec. 504 Housing Repair Grants	25.8	2,968
Rural Disaster Housing Repair Grants	7.5	258
Sec. 504 Disaster Repair Grant (DAF)	0.1	9
Sec. 504 Housing Repair Loans	10.7	1,174
Sec. 523 Mutual and Self-Help Housing Grants	22.8	29
Sec. 533 SFHD Grant Funds	9.5	114
Sec. 533 SFHD Grant Funds-Disaster Funds	0.1	0
Sec. 306C SFHD Colonias Grants	0.5	47
Protecting Animals with Shelter Grants	3.0	1

**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 modest, decent, safe, sanitary, and affordable housing.

**Current Activities**

In 2025, RD obligated \$1.64 billion in Rental Assistance as well as \$47.3 million in Vouchers, and the remaining MFH programs obligated funding totaling \$204.8 million as detailed in the following sections.

**Table RHS-66. The following table provides financial data for all MFH programs:**

<b>Program</b>	<b>Total Obligated (Dollars in Million)</b>	<b>Total Number of Loans or Grants</b>
Rental Assistance	\$ 1,642.0	8,173
Rural Housing Voucher Grants	47.3	7,523
Sec. 514 Direct Farm Labor Housing Loans	32.7	15
Sec. 516 Farm Labor Housing Grants	6.7	3
Sec. 515 Rural Rental Housing Loans	8.0	3
Sec. 515 MFH Revitalization and Preservation Loans	1.3	13
Sec. 515 MFH Revitalization Programs Pilot Program Tech. Assist. Grants	3.8	8
Sec. 524 Direct Housing Site Development Loans	0.7	1
Sec. 538 MFH Guaranteed Loans	187.6	68
<b>Total</b>	<b>1,930.1</b>	<b>15,799</b>

### **Selected Examples of Recent Progress**

#### **Rental Assistance (RA)**

To maintain Section 515 Rural Rental Housing and Section 514 Farm Labor Housing loan portfolios, MFH obligated approximately \$1.64 billion in 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 2025: Elderly properties, 32 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 2024 report, the average household income of tenants in 2024 was \$17,188; the average income of households receiving RA was \$14,342 in the Section 515 portfolio and the Farm Labor Housing income for RA is \$23,199.

The agency received Decoupling Authority under Section 521 Rental Assistance through the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026. The authority provided up to 5,000 decoupled Rental Assistance units for naturally maturing mortgages during the year. More information on the 18 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 loans and grants comprised investments across 13 states. These investments support farm workers and their families. RD invested \$32.7 million in Farm Labor Housing Loans to improve the living conditions for current and future tenants. For example, the \$3.6 million awarded in Washington will be used to construct a farm labor housing project for Farmview Family Housing, LLLP in Burlington. The property consists of eight two-bedroom units, seventeen three-bedroom units, and six four-bedroom units. However, funds can be used to assist in acquisition of property. In Arkansas, a direct loan provided additional financing for the acquisition of an on-farm labor housing unit at Brown Farms in Newport, Arkansas. The project is a two-bedroom, one-bathroom, single-family residence.

The agency awarded \$6.7 million in Farm Labor Housing grants. In Georgia, the grant funds were used to build a farm labor housing project for Wealth Watchers, Inc., in Albany, Georgia. The property consists of four one-bedroom, six two-bedroom, and ten three-bedroom units. In the northeast, a grant will be used to construct a farm labor housing project for Chester Agricultural Center, Inc in Chester, New York. The property consists of four one-bedroom units, four two-bedroom units, three three-bedroom units, and 14 four-bedroom units.

The agency published some final and proposed rules that impacted the Farm Labor Housing Program to include updates to the credit report process (89 FR 106977), revisions to the Smoke Alarm

Requirements (89 FR 103627), and revisions to the Calculation of Annual Household Income and Net Family Assets (90 FR 27817). The first two regulations are described in the main portion of the explanatory notes and the proposed rule on income and assets is captured below in Section 515 Rural Rental Housing Direct Loans.

### **Section 515 Rural Rental Housing Direct Loans**

In 2025, RD obligated just under \$8.0 million to preserve three projects totaling 134 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. These funds went towards projects in California, New York, and Pennsylvania. All the projects address the rehabilitation of elderly multi-family housing complexes. The \$3.6 million award in Pennsylvania will be used to rehabilitate Nathan Village, an elderly multifamily housing complex in Leola, a property consisting of 51 one-bedroom units. The RD investment in California will be used for a project consisting of 43 one-bedroom units in Corcoran. Whereas the funding in New York will be used for a complex in Ellicottville, a property consisting of 40 one-bedroom units housed in a fourplex-style building.

The agency published a MFH funding notice including MPR and 515 preservation in the Federal Register (89 FR 79229) on September 27, 2024, with applications due December 26, 2024. In the notice, \$27 million of Section 515 funds were made available, and the demand for awards exceeded 90 applications with anticipation of making an award announcement in February 2026, providing preservation funding to over 4,000 units. The Agency intends to publish an MPR and Section 515 preservation funding announcement in late spring of 2026. The demand is expected to be more than 200 applications and the funds available are projected to save an estimated 120 projects totaling 3,600 units.

The Section 515 program is historically over-subscribed, with projected preservation demand of the portfolio exceeding \$30 billion between December 2025 and 2050 (\$1.2 billion per year). There is currently approximately \$8.3 million in applications in the pipeline for preservation and sale-to-nonprofit activity. From the applications in the pipeline, it includes 1 application for 54 units each with varying levels of readiness but projected for obligation in 2026. The sale-to-nonprofit process is for owners that are eligible to prepay their 515 mortgages, thus terminating the 515 contracts, 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 2025, RD's MFH closed eight 2024 contracts with 157 units and is reviewing 18 applications totaling 415 units received from borrowers with 2025 maturing mortgages with application packages received and processed by September 30, 2025. 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, 2025, 32 borrowers, totaling 364 units, paid their mortgage in full and exited the Section 515 program and the remaining 7 borrowers, totaling 132 units, opted to utilize other preservation tools to include transfer of ownership and re-amortization and will remain in the program. In 2025, 547 units, 60 percent of the total 911 units eligible to leave the Section 515 program, were preserved. Moving forward, the MFH team is working to finalize the 2026 notice to borrowers with maturing mortgages. MFH is currently determining eligibility of the fifty-two borrowers and engaging directly with borrowers whose mortgages are maturing during the period of October 1, 2025, through September 30, 2026.

The agency published a proposed rule on June 30, 2025 (90 FR 27817), which proposes to amend the regulation to implement changes related to income calculation and net family assets for properties that receive funding from the Section 515 Rural Rental Housing and the Section 514/516 Farm Labor Housing Direct Loan and Grant programs. The proposed changes are intended to align RHS's annual income certification requirements with the Housing Opportunity Through Modernization Act of 2016 (HOTMA). This proposed rule was developed in response to the Department of Housing and Urban Development (HUD) finalizing its implementation of HOTMA, publishing a final rule on February 14, 2023 (88 FR 9600). The regulation update included significant changes to how HUD calculates annual

income and net family assets. As a result, MFH is proposing to amend its regulation at 7 CFR 3560 to align itself with HUD to comply with HOTMA. Under the RHS MFH program, tenants must annually certify their household income. The regulation currently requires that annual income be calculated in accordance with HUD's regulation and RHS will incorporate HUD's revised definition of "annual income". RHS intends to add new language to clarify that "net family assets" will be calculated in accordance with HUD's regulation.

### **Multi-Family Preservation and Revitalization Program**

In 2025, the agency obligated roughly \$1.1 million in loans. This program works in tandem with Multi-family Housing Direct resources to increase the availability of safe and affordable housing in rural areas. Additional funds were anticipated to be available in a consolidated TA NOFO that was put on pause in 2025.

### **Section 538 MFH Guaranteed Rural Rental Housing Loan Program**

In 2025, the MFH Guaranteed loan program obligated \$187.6 million with approximately 11.9 percent of funding in persistent poverty counties. These projects represent a few of the agency's efforts in the MFH Guaranteed Section 538 loan portfolio across senior and family multi-family housing complexes. In Connecticut, a \$4.9 million guaranteed loan will provide additional financing for the transfer, assumption and rehabilitation of Salem Village, a senior multifamily housing complex in Brooklyn, Connecticut. The project is currently included in the Multifamily Housing Direct Loan program portfolio and consists of 96 one-bedroom units. All units will go through significant renovations and improve the living conditions for all current and future tenants. In Indiana, a portion of the \$1.9 million investment in the state will be used to provide additional financing for the transfer, assumption and rehabilitation of Sunny Knolls Apartments, a family multi-family housing complex in Winchester, Indiana. The project consists of 25 one-bedroom and seven two-bedroom units.

The agency issued one document in the Federal Register in 2025 to make updates to the Section 538 program. The final rule was published and effective on December 20, 2024 (89 FR 104031); it announced updates in the process for competitive lender application submissions regarding proposed properties for the Section 538 program. Some of the updates included in the notice were the additions of new priority scoring criteria related to maturing mortgages in section 514/515 and section 538 joint transactions as well as waiving the Qualified Contract rights on applications that are funded using Low Income Housing Tax Credits.

### **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 support rural communities' recovery efforts.

### **Current Activities**

These loans and grants help ensure that rural areas enjoy the same basic quality of life and services as residents of urban areas. In 2025, RD invested over \$1 billion in community facilities across the states and U.S. territories. CF programs supported 412 grants totaling \$302.3 million in obligations, and 161 loans totaling \$940.7 million, as detailed in the following sections. Approximately 11.7 percent of funds for these loans/grants were made in persistent poverty areas, which equates to over \$149 million in CF programs.

**Table RHS-67. The following table provides financial data for CF grant funding:**

<b>Program</b>	<b>Total Obligations (Dollars in Millions)</b>	<b>Total Number of CF Grants</b>
Community Facility Grants	\$ 5.2	118
Community Facilities Native American Tribes Grants	8.3	32
Community Facilities 2019 Disaster Grants	0.6	4
Community Facility 2022 DAF Grants	29.2	9
CF 2022 Community Project Grants	47.9	51
Community Project Grants NEF Funds	211.2	198
<b>Total</b>	<b>302.3</b>	<b>412</b>

**Table RHS-68. The following table provides financial data for CF loan funding:**

<b>Program</b>	<b>Total Obligations (Dollars in Millions)</b>	<b>Total Number of CF Loans</b>
Direct Community Facility Loans-Annual	\$ 351.3	34
Direct Community Facility Loans-No Year	500.0	119
Guaranteed Community Facility Loans	89.3	8
<b>Total</b>	<b>940.7</b>	<b>161</b>

## **Selected Examples of Recent Progress**

### **Community Facility Grants**

RD investments in rural America through grant funding went towards a multitude of industries such as Public Safety, Health Care, Public Administration, and Educational Services. These grants assisted small communities in building and improving infrastructure such as fire and police protection to include equipment, hospitals, child and youth services, schools, and street improvements. RD's CF grant funds investment included 130 projects totaling approximately \$67.5 million towards persistent poverty counties, equating to just over 21 percent of obligations.

### **Regular CF Grants**

This program is open all year and assists in the development of essential community facilities in rural areas.

- In Oklahoma, RD funds will be used to purchase a 14-passenger bus for Boswell Public Schools. The school needed a smaller bus where staff members can transport students without having to obtain a CDL, providing needed flexibility for school transportation needs. Other agency investments in school transportation include funding that will be used to build a new bus shed for New Lima Public Schools to help protect the school's buses and increase their longevity in service to the school district. Focusing on building improvements at schools, funds will be used to purchase a new HVAC system in the school cafeteria at Wilburton Public School in. RD invested in public safety by awarding grant funds for the purchase of a new police cruiser for the City of Sayre and two new police vehicles to improve public safety in the City of Atoka.
- RD invests in rural America's public safety beyond police departments to include fire departments. In Iowa, RD invested in purchasing equipment for volunteer fire departments. In Epworth, funding was used to purchase 15 pieces of equipment for its volunteer fire department. The project will provide ladders, hoses, nozzles, firefighting gear for the volunteers, and touch-controlled digital computer tablets for use at emergency scenes and to communicate with receiving hospitals. It is an essential project for the safety of the fire department volunteers during emergency responses and the protection of residents in this rural Dubuque County community and surrounding areas. In Sabula, the funding will be used to obtain 16 sets of turnout gear to protect the volunteer firefighters in the city's fire

department against heat, flames, and other hazards during emergency calls. Once completed, this project will better provide for the safety of the volunteers and for the protection of residents of this rural Jackson County community.

### **Tribal College Grants**

RD's Tribal College Grants program provides funding to 1994 Land Grant Institutions (Tribal Colleges) to make capital improvements to their educational facilities and to purchase equipment. This funding benefits an estimated 18,000 students at 34 colleges representing 113 tribal nations.

- In New Mexico, RD made an investment at Navajo Technical University for the purchase equipment across two departments. The Nursing Department will purchase an adult and pediatric high fidelity simulation lab, and the chemistry department will purchase analytical chemistry instrumentation. The university serves approximately 2,900 residents; it is within a persistent poverty county. Educating the rural residents in this area with essential health and science degrees is crucial for workforce development and hard to fill employment opportunities in Rural America.
- The agency invested just under \$1.9 million in Montana spread across seven projects. These projects range from making purchases to build-out educational programs to making repairs. In one such project, Little Big Horn College (LBHC) plans to use the funds to purchase land to support their trades and heavy equipment trades programs. These programs will include farming, ranching, cultivation of sacred plants and community gardens. Looking at the agency's impact on funding repairs, a grant will finance repairs to the White Clay People's Hall on the Aaniiih Nakoda College campuses in Fort Belknap Agency, Montana. The building has been damaged by significant flooding from rain. Improvements will include installing sump pumps to prevent flood water from entering the basement, and removing and replacing water damaged interior walls and flooring. This project will extend the useful life of the facilities and support the activities of the College and the Ft. Belknap Tribes.

### **CF 2022 and 2023 Disaster Grants**

These grants support the disaster recovery efforts in 24 states. The Disaster Grants impact a population of approximately 19 million individuals and support public safety and other essential community facilities. These funds assisted with efforts to purchase life, health, and safety equipment, such as the new outdoor warning siren in Appanoose County, Iowa to replace the one lost in straight line windstorms. Other RD investments include funds to reimburse the city for costs associated with a 2023 flooding event that damaged the electrical and pump system at a water treatment plant affecting 762 people in Tellico Plains, Tennessee. Additionally, these funds will go towards critical updates to facilities, so they are better prepared in the event of a future natural disaster. The Hendry Regional Medical Center will use a CF 2022 Disaster grant to install an emergency back-up generator for its Convenient Care Center in LaBelle, Florida. This funding also will provide much needed health care services to rural residents in the event of an unplanned extended power outage and/or an emergency event which might cause a power outage, such as what occurred in 2022 with Hurricane Ian.

### **CF Community Project Grants**

These grants will benefit more than 2,500,000 individuals. These CF grants will be used to purchase, construct, and/or improve essential community facilities and to purchase equipment. Funds from these grants support facilities such as childcare centers, schools, community centers, public safety, health care facilities, and other essential community facilities.

- An investment of \$3.5 million in Tennessee will be used to allow Mountain People's Health Council Inc. to build a much-needed diagnostic center. Currently, patients must drive two hours to receive diagnostic treatment such as MRI, CT, Mammography, Bone Scan, and other procedures. This new diagnostic center will allow the 3,787 residents of Oneida, Scott County, Tennessee to receive crucial diagnostic services within their own community.

- In the south, \$0.5 million will be used to help the University of West Alabama to renovate the second floor of the Black Belt Development and Conservation Resource Center in Livingston, Sumter County, Alabama. The university will use these funds to provide technical assistance, job training, and professional development on the second floor of the two-story building built in 1902 that currently houses events and exhibit space on the first floor. This investment will benefit approximately 12,400 rural residents who live in the service area.

### **CF Loan Programs**

In 2025 the agency invested \$89.3 million in seven states across eight projects in the CF Guaranteed Loan Program with total guarantees ranging from \$0.8 million up to \$40.0 million; Mississippi received most of these funds with a \$47.8 million obligation.

In the CF Direct Loan program, over \$851.3 million in funds obligated in 2025 went to support a variety of sectors to include: health care and social assistance projects, educational services, manufacturing, transportation and warehousing, and construction to name a few. The healthcare projects funded facilities such as general medical and surgical hospitals and other physicians' offices whereas the funding for education went towards a wide range of school options such as from pre-kindergarten to the university level.

### CF Funding for Health-Care-Related Improvements and Emergency Response Services:

- RD supports the overall quality of life and prosperity in rural America, which includes investing in health care facilities such as hospitals. The multi-million-dollar investment in direct loan funding in Montana will help build a new medical facility for the residents of Daniels County and surrounding areas. Daniels Memorial Healthcare Center plans to build a new 43,700 square foot replacement hospital. The twenty-five-bed facility will be used for acute and long-term care. This design will allow for a more efficient, patient-focused facility compared to their current 70-year-old facility. The replacement hospital will be located on 7.4 acres on the northwest side of Scobey, Montana. A portion of this funding will provide new equipment for the new facility.
- Expanding the impact of their counseling services within the Appalachian region of Ohio, Scioto County Counseling Center is receiving a \$20.4 million loan guarantee. The Scioto County Counseling Center is one of the state's largest providers of counseling services. The center provides 10 programs including a 24-hour crisis hotline, addiction prevention services, and comprehensive recovery care. This project will finance the remodeling of a closed historic factory into office, treatment, and living space. This building provides Scioto County Counseling Center with additional space, allowing them to increase patient visits from 485 per day to 786 per day. This new facility will also allow Scioto County Counseling Center to bring all their administration functions into one location.
- An RD direct loan will be utilized to complete a brick-and-mortar Physicians clinic in Yerington, Nevada. Currently, the staff work in temporary modular buildings that are inadequate for their use and cannot be updated. The intent of this project is to build a brick-and-mortar facility to replace the temporary modular space. The new Physicians Clinic will be constructed and built on land owned by South Lyon County Hospital District. The new Clinic will be approximately 7,600 square feet and it will provide 12 Exam rooms, two provider offices, one treatment room, 12 exam rooms, a lab, and other miscellaneous offices.

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

- Improving educational and job opportunities, the agency awarded \$53 million in direct loan funds and \$3 million in guaranteed loan funding in Kentucky to be used to build the University of Pikeville's Tanner College of Dental Medicine. The state-of-the-art facility will be 91,000 square feet and will have an annual enrollment of 180 dental students. This project will create 78 full-time equivalent jobs in the Appalachian region of Kentucky.

In South Carolina, direct loans will be used to expand the Coastal Montessori Charter School's existing campus. The addition of approximately 6,600 square feet will expand the campus by almost 25 percent of the original facility, which was constructed and financed through the CF program in 2016. This project will allow the school to add two kindergarten classrooms and designate new classrooms for art, music, Spanish language, and special needs. The investment will allow the school to expand its student body to 32 kindergarten students and will then serve grades K-8. The expansion will also include additional administrative space to serve the students better.