

2023 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE

Table of Contents

Purpose Statement.....3

OIG and GAO Reports5

Account 1: Rural Housing Insurance Fund.....7

 Appropriations Language.....7

 Lead-Off Tabular Statement8

 Project Statement9

 Legislative Proposal.....21

 Geographic Breakdown of Obligations.....21

Classification by Objects28

Account 2: Rental Assistance Program29

 Appropriations Language.....29

 Lead-Off Tabular Statement30

 Project Statement31

 Geographic Breakdown of Obligations.....34

Classification by Objects36

Account 3: Multi-family Housing Revitalization Program.....37

 Appropriations Language.....37

 Lead-Off Tabular Statement37

 Project Statement38

 Geographic Breakdown of Obligations.....40

Classification by Objects43

Account 4: Mutual and Self-Help Housing Grants44

 Appropriations Language.....44

 Lead-Off Tabular Statement44

 Project Statement45

 Geographic Breakdown of Obligations.....46

Classification by Objects47

Account 5: Rural Housing Assistance Grants.....48

 Appropriations Language.....48

 Lead-Off Tabular Statement48

 Project Statement49

 Geographic Breakdown of Obligations.....51

Classification by Objects53

Account 6: Rural Community Facilities Program54

 Appropriations Language.....54

 Project Statement55

Geographic Breakdown of Obligations.....	60
Classification by Objects (Discretionary).....	67
Classification by Objects (Mandatory).....	67
Status of Programs	68

PURPOSE STATEMENT

The Rural Housing Service's (RHS) 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 purpose of RHS programs is to implement, sustain, and advance the provisions of Section 2 of the Housing Act, which states in part: "...the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development... and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation..."

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

RD is comprised of three agencies: Rural Housing Service, Rural Utilities Service, and Business-Cooperative Service. RD's headquarters is located in Washington, DC. As of September 30, 2021, there were 4,615 permanent full-time employees, including 1,277 in the headquarters office and 3,338 in the field offices.

OIG AND GAO REPORTS**Table RHS-1. Completed OIG Reports**

ID	Date	Title	Result
04026-0001-21	09/24/2021	Final Action Verification – Single Family Housing Guaranteed Loan Program – Liquidation Value	OIG and RHS reached management decision on all three recommendations in the interim report in a memorandum dated September 11, 2018, and on the six recommendations from the final report in a memorandum dated August 15, 2019. In addition, the memoranda detailed what corrective actions RHS needed to implement in order to achieve final action on the recommendations.
04601-0003-31	02/07/2020	Multi-Family Housing Tenant Eligibility	All 10 recommendations closed September 28, 2021.
04601-0001-41		OIG Survey – Single Family Housing Guaranteed Loan Program Appraisals	Survey – not an audit

Table RHS-2. In-Progress OIG Reports

ID	Title
04601-001-24	Rural Development's Prioritization of Direct Loans and Grants for Facilities Providing Substance Use Disorder Services

Table RHS-3. Completed GAO Reports

ID	Date	Title	Result
GAO-21-370	03/15/2021	Covid-19 Housing Protections: Moratoriums Have Helped Limit Evictions, but Further Outreach Is Needed	No recommendations for RD
GAO-21-544	7/12/2021	COVID-19 HOUSING PROTECTIONS: Mortgage Forbearance and Other Federal Efforts Have Reduced Default and Foreclosure Risks	No recommendations for RD
GAO-21-578	7/30/2021	National Flood Insurance Program: Congress Should Consider Updating the Mandatory Purchase Requirement	No recommendations for RD

Table RHS-4. In-Progress GAO Reports

ID	Title
GAO-21-219 104436	FHS, Rural Housing Service, and VA Could Better Align Program Metrics with Their Missions Compacts of Free Association Grants and Trust Funds Update
GAO-22- 104380	Mortgage Lending: Use of Alternative Data is Limited but has Potential Benefits
104701	Continuing Resolutions - OBPA is the Lead (Scope FY 2017-2021)

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

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

Rural Housing Insurance Fund program account (Including Transfer of funds)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: \$1,500,000,000 shall be for direct loans, \$20,842,000 shall be for a Single Family Housing Relending demonstration program for Native American Tribes, and \$30,000,000,000 shall be for unsubsidized guaranteed loans; [~~\$28,000,000~~]\$50,000,000 for section 504 housing repair loans; [~~\$40,000,000~~]\$200,000,000 for section 515 rental housing; [~~\$230,000,000~~]\$400,000,000 for section 538 guaranteed multi-family housing loans; \$10,000,000 for credit sales of single family housing acquired property; \$5,000,000 for section 523 self-help housing land development loans; and \$5,000,000 for section 524 site development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, [~~\$27,900,000~~]\$55,650,000 shall be for direct loans; \$6,857,000 shall be for a Single Family Housing Relending demonstration program for Native American Tribes; section 504 housing repair loans, [~~\$484,000~~]\$4,150,000; section 523 self-help housing land development loans, [~~\$55,000~~]\$267,000; section 524 site development loans, [~~\$206,000~~]\$208,000; and repair, rehabilitation, and new construction of section 515 rental housing, [~~\$3,576,000~~]\$38,220,000: *Provided*, That to support the loan program level for section 538 guaranteed loans made available under this heading the Secretary may charge or adjust any fees to cover the projected cost of such loan guarantees pursuant to the provisions of the Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), and the interest on such loans may not be subsidized: *Provided further*, That applicants in communities that have a current rural area waiver under section 541 of the Housing Act of 1949 (42 U.S.C. 1490q) shall be treated as living in a rural area for purposes of section 502 guaranteed loans provided under this heading. In addition, for the cost of direct loans and grants, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974 [~~\$32,000,000~~]\$75,000,000, to remain available until expended, for a demonstration program for the preservation and revitalization of sections 514, 515, and 516 multifamily rental housing properties, including the restructuring of existing USDA multi-family housing loans, as the Secretary deems appropriate, expressly for the purposes of ensuring the project has sufficient resources to preserve the project for the purpose of providing safe and affordable housing for low-income residents and farm laborers including reducing or eliminating interest; deferring loan payments, subordinating, reducing or re-amortizing loan debt; and other financial assistance including advances, payments, and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary: *Provided further*, That the Secretary shall as part of the preservation and revitalization agreement obtain a restrictive use agreement consistent with the terms of the restructuring: *Provided further*, That any balances, including obligated balances, available for all demonstration programs for the preservation and revitalization of sections 514, 515, and 516 multi-family rental housing properties in the "Multi-Family Housing Revitalization Program Account" shall be transferred to and merged with this account, and shall be available for the preservation and revitalization of sections 514, 515, and 516 multi-family rental housing properties, including the restructuring of existing USDA multi-family housing loans: *Provided further*, That following the transfer of balances described in the preceding proviso, any adjustments to obligations for demonstration programs for the preservation and revitalization of sections 514, 515, and 516 multi-family rental housing properties incurred in the "Multi-Family Housing Revitalization Program Account" shall be made in this account.

In addition, for the cost of direct loans, grants, and contracts, as authorized by sections 514 and 516 of the Housing Act of 1949 (42 U.S.C. 1484, 1486), [~~\$12,831,000~~]\$28,210,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts: *Provided*, That any balances available for the Farm Labor Program Account shall be transferred to and merged with this account.

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

Change Description

The first change (line 3 and 4 of paragraph 1) sets the loan level requested in the budget for a Single-Family Housing Relending program for Native American Tribes. The funding will be administered by a Community Development Financial Institution that will work directly with the Native American Tribes.

The second change (line 3 and 4 of paragraph 2) Includes the budget authority necessary to support the requested loan level for the Single-Family Housing Relending program for Native American Tribes.

LEAD-OFF TABULAR STATEMENT

Table RHS-5. Lead-Off Tabular Statement (In dollars)

Item	Grants	Program Level	Subsidy	Administrative Expenses
Estimate, 2022	\$10,000,000	\$27,514,808,000	\$70,020,000	\$412,254,000
Change in Appropriation	+ 14,000,000	+ 4,899,802,000	+ 114,542,000	0
Budget Estimate, 2023	24,000,000	32,414,610,000	184,562,000	412,254,000

PROJECT STATEMENT**Table RHS-6. Project Statement Appropriations (thousands of dollars)**

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.	Chg Key
Discretionary Appropriations:											
Sec 502 SFH Direct Loans.....	\$1,000,000	\$90,000	\$1,000,000	\$55,400	\$2,978,495	\$55,400	\$1,500,000	\$55,650	-\$1,478,495	+\$250	(1)
SFHD Native American Relending Pilot Program	-	-	-	-	-	-	20,842	6,857	+20,842	+6,857	(2)
Sec 502 SFH Guaranteed Loans.....	24,000,000	-	24,000,000	-	24,000,000	-	30,000,000	-	+6,000,000	-	(3)
Sec 515 MFH Direct Loans.....	40,000	12,144	40,000	6,688	74,810	6,688	200,000	38,220	+125,190	+31,532	(4)
Sec 538 MFH Guaranteed Loans.....	230,000	-	230,000	0	230,000	-	400,000	-	+170,000	-	(5)
Sec 504 Direct Loans, Very Low.....	18,168	3,036	16,498	1,305	128,035	2,215	50,000	4,150	-78,035	+1,935	(6)
Sec 524 Direct Site Dev Loans.....	-	-	1,500	106	8,637	355	5,000	208	-3,637	-147	(7)
Sec 523 Self-Help Housing Land Dev Loans.....	-	-	-	-	24,455	269	5,000	267	-19,455	-2	(8)
SFH Credit Sales.....	10,000	-	10,000	-	10,000	-	10,000	-	-	-	(9)
Sec 514 FL H Loans.....	28,000	8,739	27,999	5,093	50,376	5,093	50,000	10,210	-376	+5,117	(10)
Sec 516 FLH Grants.....	10,000	10,000	10,000	10,000	10,000	10,000	18,000	18,000	+8,000	+8,000	(11)
MFH Preservation/Revitalization Zero Interest....	-	-	-	-	-	-	79,201	34,500	+79,201	+34,500	(12)
MFH Preservation/Revitalization Soft Seconds....	-	-	-	-	-	-	70,567	34,500	+70,567	+34,500	(12)
MFH Preservation/Revitalization Grants.....	-	-	-	-	-	-	6,000	6,000	+6,000	+6,000	(12)
Administrative Expenses.....	-	412,254	-	412,254	-	412,254	-	412,254	-	-	
Subtotal.....	25,336,168	536,173	25,335,997	490,846	27,514,808	492,274	32,414,610	620,816	+4,899,802	+128,542	
Mandatory Appropriations:											
Sec 502 SFH Direct Loans American Rescue Plan	-	-	656,606	36,376	-	-	-	-	-	-	
Sec 504 Direct Loans, Very Low American Rescue Plan.....	-	-	18,382	1,454	-	-	-	-	-	-	
Administrative Expenses, American Rescue Plan...	-	-	-	1,170	-	-	-	-	-	-	
Subtotal.....	-	-	674,988	39,000	-	-	-	-	-	-	
Offsetting Collections:											
Total Adjusted Approp.....	25,336,168	536,173	26,010,985	529,846	27,514,808	492,274	32,414,610	620,816	4,899,802	128,542	
Add back:.....											
Rescission, Transfers In and Out.....	19,837	2,766	20,004	1,428	-	-	-	-	-	-	
Total Appropriation.....	25,356,005	538,939	26,030,989	531,274	27,514,808	492,274	32,414,610	620,816	4,899,802	128,542	
Transfers Out:											
Sec 504 direct loans, very low.....	-9,832	-1,643	-11,504	-910	-	-	-	-	-	-	

2023 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.	Chg Key
Sec 524 direct site dev loans.....	-5,005	-546	-3,500	-249	-	-	-	-	-	-	-
Sec 523 self-help housing land dev loans.....	-5,000	-577	-5,000	-269	-	-	-	-	-	-	-
Total Transfers Out.....	-19,837	-2,766	-20,004	-1,428	-	-	-	-	-	-	-
Recoveries, Other	13,736	6,753	3,625	2,483	-	-	-	-	-	-	-
Bal. Available, SOY.....	23,690	14,165	80,348	24,338	2,230,288	77,274	997,475	80,065	-1,232,813	+2,791	
Total Available.....	25,373,594	557,091	26,094,958	556,667	29,745,096	569,548	33,412,085	700,881	3,666,989	131,333	
Lapsing Balances.....	-931,301	-291	-1,288,492	-492	-2,165,769	-42,428	-783,880	-29,886	+1,381,889	+12,542	
Transfer in Unobligated Balances (MPR 12-2002)	-	-	-	-	-	-	34,273	19,491	+34,273	+19,491	
Bal. Available, EOY.....	-51,669	-24,338	-791,052	-77,274	-2,014,998	-80,065	-140,235	-53,652	+1,874,763	+26,413	
Total Obligations.....	24,390,624	532,462	24,015,414	478,901	25,564,329	447,055	32,522,243	636,834	+6,957,914	+189,779	

Table RHS-7. Project Statement Obligations (thousands of dollars)

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.
Discretionary Obligations:										
Sec 502 SFH Direct Loans.....	\$1,001,411	\$90,127	\$999,920	\$55,396	\$1,000,000	\$18,600	\$1,500,000	\$55,650	+\$500,000	+\$37,050
SFHD Native American Relending Pilot Program.....	-	-	-	-	-	-	20,842	6,857	+20,842	+6,857
Sec 502 SFH Guaranteed Loans.....	23,074,579	-	22,726,138	-	24,000,000	-	30,000,000	-	+6,000,000	-
Sec 515 MFH Direct Loans.....	40,000	12,144	38,466	6,657	40,000	3,576	200,000	38,220	+160,000	+34,644
Sec 538 MFH Guaranteed Loans.....	228,488	-	229,960	-	230,000	-	400,000	-	+170,000	-
Sec 504 Direct Loans, Very Low.....	16,643	2,780	14,797	1,170	15,665	271	50,000	4,150	+34,335	+3,879
Sec 524 Direct Site Dev Loans.....	-	-	-	-	998	41	5,000	208	+4,002	+167
Sec 523 Self-Help Housing Land Dev Loans.....	-	-	-	-	1,000	11	5,000	267	+4,000	+256
SFH Credit Sales.....	471	-	225	-	1,000	-	10,000	-	+9,000	-
Sec 514 FL H Loans.....	20,095	6,220	3,084	561	15,608	1,578	50,000	10,210	+34,392	+8,632
Sec 516 FLH Grants.....	8,937	8,937	1,627	1,627	6,000	6,000	18,000	18,000	+12,000	+12,000
MFH Preservation/Revitalization Zero Interest.....	-	-	-	-	-	-	93,430	40,698	+93,430	+40,698
MFH Preservation/Revitalization Soft Seconds.....	-	-	-	-	-	-	73,942	36,150	+73,942	+36,150
MFH Preservation/Revitalization Grants.....	-	-	-	-	-	-	11,016	11,016	+11,016	+11,016
Administrative Expenses.....	-	412,254	-	412,254	-	412,254	-	412,254	-	-
Subtotal Disc oblig.....	24,390,624	532,462	24,014,217	477,665	25,310,271	442,331	32,437,230	633,680	+7,126,959	+191,349
Mandatory Obligations:										
Sec 502 SFH Direct Loans American Rescue Plan.....	-	-	1,197	66	254,000	4,724	85,013	3,154	-168,987	-1,570
Sec 504 Direct Loans, Very Low American Rescue Plan	-	-	-	-	58	-	-	-	-58	-
Administrative Expenses, American Rescue Plan.....	-	-	-	1,170	-	-	-	-	-	-
Subtotal Mand Oblig.....	-	-	1,197	1,236	254,058	4,724	85,013	3,154	-169,045	-1,570
Total Obligations.....	24,390,624	532,462	24,015,414	478,901	25,564,329	447,055	32,522,243	636,834	6,957,914	189,779
Add back:.....										
Lapsing Balances.....	931,301	291	4,788,492	492	2,165,769	42,428	783,880	29,886	-1,381,889	-12,542
Transfer in Unobligated Balances (MPR 12-2002).....	-	-	-	-	-	-	-34,273	-19,491	-34,273	-19,491
Balances Available, EOY:										
502 X-Year Low & Vlow Income.....	633	57	1,029	57	3,065	57	1,536	57	-1,529	-
Sec 514 FL H Loans.....	39,117	12,260	93,940	17,059	203,502	20,574	100,754	20,574	-102,748	-
Sec 516 FLH Grants.....	11,919	11,919	22,292	22,292	26,292	26,292	26,292	26,292	-	-
Other	-	102	-	102	-	102	-	102	-	-
Sec 502 SFH Direct Loans American Rescue Plan.....	-	-	655,409	36,310	1,698,151	31,586	-	-	-1,698,151	-31,586

2023 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.
Sec 504 Direct Loans, VL American Rescue Plan.....	-	-	18,382	1,454	83,988	1,454	-	-	-83,988	-1,454
MPR Zero Interest Rate.....	-	-	-	-	-	-	7,330	3,193	+7,330	+3,193
MPR Soft Second.....	-	-	-	-	-	-	1,739	850	+1,739	+850
MPR Grants/Deferrals/Pilot Program/Modification.....	-	-	-	-	-	-	2,584	2,584	+2,584	+2,584
Total Bal. Available, EOY.....	51,669	24,338	791,052	77,274	2,014,998	80,065	140,235	53,652	-1,874,763	-26,413
Total Available.....	25,373,594	557,091	29,594,958	556,667	29,745,096	569,548	33,412,085	700,881	3,666,989	131,333
Less:										
Total Transfers Out.....	19,837	2,766	20,004	1,428	-	-	-	-	-	-
Recoveries, Other	-13,736	-6,753	-3,625	-2,483	-	-	-	-	-	-
Bal. Available, SOY.....	-23,690	-14,165	-80,348	-24,338	-2,230,288	-77,274	-997,475	-80,065	1,232,813	-2,791
Total Appropriation.....	25,356,005	538,939	29,530,989	531,274	27,514,808	492,274	32,414,610	620,816	4,899,802	128,542

Rural Housing Insurance Fund

Rural Housing Service is contributing towards the USDA strategic plan for the following Goal:

Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities: Objective 5.2: Boost the Financial Security of Rural and Tribal Communities through Access to Affordable Housing Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities.

Access to affordable and safe housing is at the foundation of strong communities, healthy families and vibrant economies. USDA is committed to ensuring that people living in rural and tribal communities have equitable and affordable access to housing. Rural Development will improve delivery of its housing programs and resources, by embedding key Departmental priorities such as climate and equity. This includes continuing to identify opportunities to make housing more accessible, expanding outreach into underserved rural and tribal communities, and committing to creating more sustainable and energy efficient housing. In doing so, Rural Development will help keep families in rural America financially secure in their homes, especially in the face of the COVID-19 pandemic.

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

A key component of budget increases in rural housing funding is an additional requirement that all of the housing funding for construction or rehabilitation be targeted to projects that improve energy or water efficiency, implement green features, including clean energy generation or building electrification, electric car charging station installations, or address climate resilience of properties. These requirements will improve the adaptability and resilience to climate change events. The budget includes a General Provision requiring single family housing program and multi-family housing programs to encourage these new requirements when providing a loan or a grant.

Rural Housing Programs

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

(1a) A decrease of \$1,478,495,000 for Section 502 Single- Family Housing Direct Loan Program (SFHDLDP) (\$2,978,495,000 available in 2022).

The decrease will support a \$1.5 billion in program level. Because of a decrease in subsidy rate from 2021 to 2022 the funding made available under the 2022 full year continuing resolution provided a higher program level than was enacted in 2021. The request in the budget reflects an increase of \$500 million from the 2021 enacted levels.

The direct SFH loan program is critical to achieving environmental equity and improving the quality of life in rural America. This subsidized housing mortgage program provides essential credit access that promotes wealth creation over time and enables rural Americans to invest in their own futures and in the future of their communities. In 2023, this program will continue to provide homebuyers opportunities to improve their living conditions and financial standing through investment in their own neighborhoods. It supports local jobs in retail, services, and in residential construction that help invigorate local rural economies. It also reinforces foundational community qualities such as stability and security that appeal to businesses seeking new locations and opportunities for expansion. The unique servicing options available under the direct program help borrowers facing financial setbacks and temporary challenges remain in their homes while confronting those challenges.

Mortgage interest rates remain relatively low, providing housing at more affordable levels for millions of rural Americans through the guaranteed loan program. However, these guaranteed loans do not meet the needs of lower income families who require the payment assistance offered through the direct program to become successful homeowners. Without the benefit of payment assistance, many very low- and low-income applicants are unable to meet monthly mortgage payment obligations, current low interest rates notwithstanding.

In 2021, this program supplied over 5,350 direct loans, totaling more than \$1 billion to rural families, of which 309 loans, totaling over \$46.6 million, were in persistent poverty areas, focused primarily in the Southeastern and Southern part of the U.S. Most of the loan funds went to female recipients, at approximately 59 percent versus 40 percent male. Borrowers identifying as white make up approximately 74 percent of the recipients, with Black/African American recipients just over 19 percent, American Indian/Alaska Native and Asian each at less than two percent, and Native Hawaiian/Other Pacific Islander below one percent.

In February 2022, RHS published a final rule to amend its Direct Single Family Housing Loans and Grants programs regulation. The changes to the programs will increase program flexibility, allow more borrowers to access affordable loans, better align the programs with best practices and enable the programs to be more responsive to economic conditions and trends. It is anticipated that the improvements to the program will enable RHS to assist a wider population of low- and very low-income applicants to obtain decent, safe, and sanitary single-family housing in eligible rural areas.

Because of low mortgage interest rates the program experienced high demand in 2021. The increase requested in the 2023 budget will help to support around 7,800 loans. This program is focusing on increasing assistance to distressed and energy communities by increasing lending in these areas.

- (1b) An increase of \$250,000 for a Single-Family Family Housing Direct Loan Program (SFHDLP) (\$55,400.00 available in 2022).

This is the budget authority necessary to support the program level requested.

- (2a) An increase of \$20,842,000 for a Single-Family Housing Direct Loan Relending Program for Native American Tribes (\$0 available in 2022).

This request supports the continuation of a Native American Relending program. The 502 Relending Pilot Program is a popular program to eligible Native American homebuyers located in tribal communities of South Dakota and North Dakota, where USDA teams with local CDFIs. Due to a host of systemic and legal issues, housing lending is very difficult and complex in Indian Country. The Pilot has been very successful and there is demand for its expansion. The requested funding will expand the funding provided in 2017 to select Native Community Development Financial Institutions (NCDFIs). These NCDFIs assist in reaching out to Native American communities that have been traditionally underserved and will provide assistance to Native Americans that are seeking to purchase a house.

- (2b) An increase of \$6,857,000 for a Single-Family Housing Relending Program for Native American Tribes (\$0 available in 2022).

This is the budget authority necessary to support the program level requested.

- (3) An increase of \$6,000,000,000 for Section 502 Single-Family Housing Guarantee Loan Program (SFHGLP) (\$24,000,000,000 available in 2022).

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

creditworthy low- and moderate-income rural Americans who cannot meet down payment requirements will not have homeownership opportunities in 2023.

Prior to 2021, the SFHGLP held steady at a program level of \$24 billion, with obligations in 2016 at \$16.4 billion, 2017 at \$19.3 billion, 2018 at \$16.8 billion, 2019 at \$14.9 billion, and 2020 at \$23.1 billion. The demand for the program had a marked increase in 2020 and in 2021. In 2021, based on the obligation rates from Q1 and Q2, the Agency requested and received an additional \$6 billion because obligation rates were approximately 20 percent above the prior year, which projected the Agency would exceed the \$24 billion funding cap. As of December 31, 2020, the SFHGLP obligated 32,823 loans for a total of \$5.75 billion, an increase of over 3,000 loans (about \$1 billion) compared to the prior year during the same period. The Secretary of Agriculture provided notice to Congress in accordance with Section 724 of Division A of the Consolidated Appropriations Act, 2021 (Public Law 116–260). Even though the housing market conditions in the fourth quarter of FY 2021 slowed obligations, it was still the second highest obligation total for the program. Of the 127,389 loan guarantees provided in 2021, 40 percent of funds went to female applicants, with 86 percent of the recipients being white, and Black/African American at over eight percent, multiracial at over one percent and Asian, American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander each at under one percent.

In 2020 and 2021 this program experienced a steady increase in demand. To preserve the increased authorization level of \$30 billion, program management actively seeks to maintain the program’s neutral subsidy rate (or slightly negative). This enables the program to meet its mission service goals without requiring budget authority to offset credit losses. Program demand is affected by changing macro-economic conditions. With a total of \$30 billion in lending capacity, the program will increase the number of guaranteed loans to over 163,200. In accordance with community needs and in support of the Administration’s goals of racial justice and equity, the program will focus on increasing assistance to distressed and underserved communities. This includes increasing outreach to tribal and other underserved communities through targeted marketing campaigns and diversifying approved lenders.

(4a) An increase of \$125,190,000 for Section 515 Multi-family Housing Direct Loan Program (\$74,810,000 available in 2022).

The requested funding will allow the agency to continue funding preservation and revitalization of existing rental housing in USDA’s multi-family (MFH) direct loan program. Continued base funding is crucial to ensuring the continued success of the MFH program and for building a sound portfolio that will serve rural residents for years to come. In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

Continuation of the program is crucial because:

- The need for low and very low-income housing in rural communities is increasing. Not enough housing is available to meet the current or projected need.
- The portfolio is aging and revitalization funding is crucial to ensuring facilities are safe, sanitary and available.

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

This funding will also target RD properties where the promissory note is maturing in an effort 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, Multi-family Preservation and Revitalization, and section 538

Guaranteed Loan programs. The requested increased funding for 2023 will preserve or develop 20 affordable multi-family housing properties, totaling 1,000 units.

A key measure of the program's effectiveness is its use of private capital to support preservation efforts. The section 515 program leverages capital markets, particularly through the use of LIHTC, at a minimum ratio of \$2.88 dollars to every dollar of section 515 funding. In 2021, the agency obligated approximately \$14 million in Alabama. In addition, the funding is obligated across several states in 2021 that did not see funding in 2020, including approximately \$10 million obligated in Indiana.

- (4b) An increase of \$31,532,000 for a Multi-family Housing Direct Loan Program budget authority (\$6,688,000 available in 2022).

This is the budget authority necessary to support the program level requested, and reflects a priority to invest in the current programs at a higher level to improve access and shore up low income housing in rural areas. The straight-lined program levels of the last 10 years has resulted in less and less assistance because of the ever-increasing housing and building costs.

- (5) An increase of \$170,000,000 for Section 538 Guaranteed Multi-family Housing Loan Program (\$230,000,000 available in 2022).

The section 538 Guaranteed MFH 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 State tax credit allocating agencies to include the use of tax credits for rural rental housing preservation and construction in those States' Qualified Allocation Plans. For every \$1 invested from the section 538 program, the agency can leverage about \$2.88 of public-private funding. Other programs do not exist to meet this critical housing need 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 preservation and revitalization programs will assist in the rehabilitation of the existing section 515 housing stock, providing affordable housing in rural America that will contribute to environmental justice.

Funding will allow RD to grow the MFH program at a pace consistent with expected program demand, as RD continues program outreach efforts. Increased funding will allow the agency to more effectively address the growing need for new housing and rehabilitation of existing facilities. The additional \$170 million in funding for 2023 will create 166 projects and 8,620 units, an increase of 70 projects and 3,664 units over 2022 activity. In 2021, the agency obligated all but approximately \$40,000 out of the \$230 million in budget authority. The Agency obligated 31 percent of funds for this program in California and South Carolina, with the remaining funds obligated across 19 states and Guam.

Continuation of the program is critical because:

- It encourages investment in housing facilities for rural residents unable to afford housing at other facilities.
- Without this program, rural homelessness could increase.

(6a) A decrease of \$78,035,000 for Section 504 Housing Repair Loan Program (\$128,035,000 available in 2022).

The budget is proposing to fund this program at \$50 million, which is a \$22 million increase over the 2021 level, to further support this program. Because of a decrease in subsidy rates between 2021 and 2022, the 2022 full year Continuing Resolution has a program level that is much higher than program level provided in the 2021 appropriation of \$28 million. The budget requests an increase of \$22 million from the 2021 enacted level. This increase supports the Administration's effort to provide affordable, sustainable housing by funding repairs to make repairs to conditions that are health or safety hazards.

Continuation of this program is critical because it provides:

- Much needed funding for rural very low-income homeowners to make essential repairs to keep their properties decent, safe, and sanitary.
- Loans up to \$20,000 that can be used to repair, modernize, or remove health and safety hazards from rural homes. Loans are amortized at 1 percent for up to 20 years.
- Support of USDA's Strategic Goal to create prosperity that fosters self-sustaining, repopulating, and economically thriving rural communities.

The agency obligated funding across almost every state plus Guam and Puerto Rico in 2021. Additionally, the Agency obligated funds for 142 loans in persistent poverty areas, an additional two loans in Colonias persistent poverty areas, and five loans in underserved areas. The requested increase in \$22 million would support approximately 3,340 more loans at the current average loan amount of \$6,586.

(6b) An increase of \$1,935,000 for Section 504 Single-Family Housing Repair Loan Program budget authority (\$2,215,000 available in 2022).

This is the budget authority necessary to support the program level requested and reflects a priority to invest in the current programs at a higher level to improve access and shore up low-income housing in rural areas. The straight-lined program levels of the last 10 years has resulted in less and less assistance because of the ever-increasing housing and building costs.

(7a) A decrease of 3,637,000 for Section 524 Housing Site Development (\$8,637,000 available in 2022).

The budget is proposing to fund this program at \$5 million, the same level as in 2021. Because of a decrease in subsidy rates between 2021 and 2022, the 2022 full year Continuing Resolution has a program level that is much higher than program level provided in the 2021 appropriation of \$5 million.

Base funding for the section 524 direct site development loan program provides loans to non-profit entities to purchase and develop land that will be subdivided into adequate building sites and sold on a non-profit basis to low-income families.

RHS will seek opportunities to expand participation in the program, which had little demand in recent years because of the two-year loan repayment requirement. This requirement can cause delinquencies when site development and lot sales cannot be completed within the two-year timeframe, discouraging program use. RHS is exploring remedies to promote greater interest in the program and ensure more affordable home sites are available to lower income families in rural areas. Changes are expected to benefit non-profit groups developing SFH sites and the rural families they serve. There were no obligations associated with this program in 2021. Reasonable interest rates in the conventional marketplace meant potential applicants have frequently relied on other credit sources.

(7b) A decrease of \$147,000 in budget authority (\$355,000 available in 2022).

The decrease in budget authority reflects a decrease in subsidy rate for this program. The requested budget authority is necessary to support the requested program level.

- (8a) A decrease of \$19,455,000 for Section 523 Housing Land Development Program (\$24,455,000 available in 2022).

The budget is proposing to fund this program at \$5 million, the same level as in 2021. Because of a decrease in subsidy rates between 2021 and 2022, the 2022 full year Continuing Resolution has a program level that is much higher than program level provided in the 2021 appropriation, of \$5 million.

Section 523 self-help RHS loans provide funds to non-profit entities to purchase and develop land to be subdivided into adequate building sites and sold on a non-profit basis to low-income families who will construct their homes through the self-help method.

The program provides a convenient option for residential development financing, which is not always available to non-profit groups working in rural areas. Many self-help providers use HUD's Self-Help Opportunity Program (SHOP) funds for land development. However, SHOP funds may be reduced or eliminated, leaving many self-help providers with no source of funding for land purchase or development.

The program has had limited demand in recent years. There were no obligations associated with this program in 2021. The short (two-year) term of these loans does not provide adequate time for non-profit developers both to complete all work needed to convert properties to suitable home sites with supporting facilities and then to market the lots to participants in the self-help program. No loans have been approved in the past several years.

As a result of this low program performance, RHS is exploring alternatives to promote increased interest in the program and ensure more affordable home sites are made available to lower income families in rural areas. These enhancements will also help the mutual self-help housing sponsor agencies more effectively leverage program capabilities.

- (8b) A decrease of \$2,000 for Section 523 Housing Land Development Program Direct Loan Program budget authority (\$269,000 available in 2022).

This is the budget authority necessary to support the program level requested.

- (9) No change for Credit Sales of Acquired Property-Single-Family Housing Program (\$10,000,000 available in 2022).

This base funding assists RHS with the sale of real estate owned (REO) properties. Because USDA already owns these properties no cash is required for this funding. The base of \$10 million fully supports or exceeds any expected seller-financed sales of REO properties. This non-program credit sales funding is essential to assure the success of the combined agencies in 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, but competitive, loan terms. This credit is offered for buyers not eligible for section 502 assistance or for properties that do not qualify as a program property. Funding allows agency staff to expedite the sale and disposition of REO properties, which spares the government the cost of maintaining these properties.

REO volume is difficult to predict, and investor appetite for program funding can vary widely from one year to the next. In 2021, the Agency obligated \$225 thousand for this program, which was a decrease from \$471 thousand in 2020; all funds in 2021 were obligated in Arizona.

An agreement finalized in 2015 with the Department of Veterans Affairs (VA) to use their contract for the management and sale of certain REO properties is expected to greatly benefit RHS. The service provider working with VA demonstrated the ability to effectively market and dispose of properties similar to those in the USDA inventory.

(10a) A decrease of \$376,000 for Section 514 Farm Labor Housing Loan Program (\$50,376,000 available in 2022).

The budget is proposing to fund this program at \$50 million, an increase of \$22 million from the 2021 level. Because of a decrease in subsidy rates between 2021 and 2022, the 2022 full year Continuing Resolution has a program level that is higher than program level provided in the 2021 appropriation of \$28 million. The budget requests an increase of \$22 million from the 2021 enacted amount of \$28 million. The budget is focusing on providing safe and affordable multifamily housing and RD is expecting to be able to deliver this level of support.

Base funding for the section 514 farm labor housing loans will allow the agency to continue providing decent, safe, and sanitary housing for farmers for small, on-farm housing or off-farm MFH developments.

Continuation of the program is critical because:

- It provides a safe environment for hard-working residents in rural America.
- It fosters the growth of families, communities, and the economy.

Base 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.

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

Base funding supports RD's objective to provide decent, safe, and affordable housing to rural residents residing in MFH facilities and to create thriving communities. In 2021, the Agency obligated just over \$3 million, with most of the funds being obligated in Wisconsin. The timing of the 2021 514/516 NOSA resulted in unobligated funds; however, these funds were eligible for carry-over and should incur obligations in 2022.

The combined additional \$22 million in loans and \$8 million in grants for Farm Labor Housing will allow existing Farm Labor Housing projects funded in prior years but currently unable to proceed to construction due to COVID-related cost increases. This additional funding for loans and grants will allow construction to commence on 150 to 200 Farm Labor Housing units where critical market demand has been established, and all other necessary funding is in place to proceed. These properties will be developed using energy efficient standards, resulting in long term sustainability through more stable operating expenses and enhanced affordability of tenant rents. The funding will also provide resources for existing Farm Labor Housing properties in need of capital to perform critical physical repairs.

(10b) An increase of \$5,117,000 for Section 514 Farm Labor Housing Direct Loan Program budget authority (\$5,093,000 available in 2022).

This is the budget authority necessary to support the program level requested and reflects a priority to invest in the current programs at a higher level to improve access and shore up low-income housing in rural areas. The straight-lined program levels of the last 10 years has resulted in less and less assistance because of the ever-increasing housing and building costs.

(11) An increase of \$8,000,000 for Section 516 Farm Labor Housing Grants (\$10,000,000 available in 2022).

Base funding for the section 516 farm labor housing grant program will provide farmworkers with decent, safe, and sanitary housing for off-farm MFH farm labor housing 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 MFH because they reduce the amount of debt service, reducing project expenses and the amount of rental

assistance needed to support the project. In 2021, \$1.6 million in obligated funds went towards a grant in Washington. As with the Section 514 funding, the timing of the NOSA affected obligations, but these funds are eligible for carry-over and should incur obligations in 2022.

- (12a) A net increase of \$155,768,000 for Section 515 Multi-family Housing Preservation and Revitalization program (\$0 available in 2022) This program was funded in the Multi-family Preservation and Revitalization program in 2022 (\$28,000,000 available in 2022).

The multi-family housing revitalization activities are being transferred from the Multifamily Housing Revitalization Program Account and merged into this account. This program provides funding for multi-family housing projects for revitalization and preservation of the properties. Zero percent loan, soft second loan, and revitalization grant programs provide an inexpensive source of funding to preserve and modernize RHS' 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. A portion of the zero percent, soft seconds, and revitalization grant funds will be used for the modification program, once subsidy rates can be established for the modifications.

The Section 515 loans are made by the agency, acting as a lender, to qualified applicants that cannot obtain commercial credit on terms that will allow them to charge rents that are affordable to low-income tenants. Funds are primarily intended for the construction, improvement, and purchase of multifamily rental housing for very low to moderate-income families, the elderly, and disabled individuals in eligible rural areas, however, funds may also be available to buy and improve land and provide necessary infrastructure.

The revitalization tools are critical to attract capital market investment into rural communities through the modernization of existing RD housing. RHS uses the revitalization tools to provide gap financing not covered through the Low-Income Housing Tax Credit (LIHTC) or other State or Federal programs. As a result, RHS can leverage approximately three times its funds in investments from LIHTC and other sources. A close partnership with State tax credit allocating agencies is critical, because without a financial commitment by RHS through the revitalization tools the credits and other third-party funding will decrease and rehabilitation of RHS's aging stock of rural rental housing is less likely to occur.

In 2021, the agency obligated 142 loans across all three components of the program with the greatest increase in in modification deferrals; 2020 ended with 28 obligations totaling \$12.6 million, while 2021 resulted in 86 obligations for a total of \$41.6 million. The Agency saw an increase in Zero Interest Loans with a four-fold increase in obligations for an additional \$5.4 million in 2021. Three states accounted for most of the obligated funds for the Soft Seconds Loans: Alabama (25 percent), Missouri (18 percent), and New York (17 percent). For 2022, the Agency proposed to transfer this program from the multifamily preservation and revitalization account to the Rural Housing Insurance Fund account to facilitate the financing of both streams of funding.

- (12b) A net increase of \$75,000,000 for Section 515 Multi-family Housing Preservation and Revitalization program budget authority (\$0 available in 2022). This program was funded in the Multi-family Preservation and Revitalization program in 2022 at \$28 (\$28,000,000 available in 2022).

This request provides a total of \$75 million for additional investments in preservation funding, which will fully fund 44 projects in an existing 171-project pipeline awaiting funding to undergo energy efficient rehabilitation and preservation recapitalization. Energy efficiency enhancement and improvements are included in the scope of work for projects awaiting funding. These projects are shovel-ready and would commence within 30 to 60 days of receipt of appropriated funding. The long-term benefits of the energy enhancements made in conjunction with these transactions are stabilized operating expenses at the properties and improved security value of the direct Section 515 RD debt. In addition, these transactions leverage significant private investment in the form of low-income housing tax credit equity and new debt investment from private lenders and state and local sources. The \$75 million request will leverage sufficient external debt and equity to fund \$65 million in job-creating hard construction costs. About 39 percent of the tenants residing in these properties are people of color. This funding will allow for 30 project and about 1,200 units to be rehabilitated and preserved as affordable rural rental housing

LEGISLATIVE PROPOSAL

Summary of Proposed Legislation

Program: 515 Revitalization Program

Proposal: The Rural Housing Service (RHS) seeks permanent authority for the revitalization program, which has been a demonstration program since 2006. The multi-family housing preservation and revitalization (MPR) program is an effective tool to modernize Rural Development’s (RD) existing multi-family housing portfolio. The average age of rental housing in the section 515 portfolio is 28 years; much of the housing is in need of revitalization, and projects do not have sufficient reserves to fund ongoing rehabilitation.

The MPR program uses a variety of financing options to successfully preserve the housing in the most flexible manner possible. MPR is also effective attracting capital market investment into rural communities through the revitalization of existing RD housing, particularly through Low-Income Housing Tax Credits (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. This leverage reduces the cost of project preservation, especially the cost of additional debt service to finance the rehabilitation. By reducing preservation costs, MPR helps reduce the need to invest additional rental assistance to support the project’s additional debt service needs.

Advantages include:

- For Tenants: A permanent program will provide greater certainty in program funding to provide tenants with decent, safe, sanitary and modern affordable housing.
- For Borrowers: A permanent program will provide borrowers with a certain funding source to fund rehabilitation and repairs.
- For the agency: A permanent program will enable RHS to make long-term strategic plans for the Direct Loan portfolio, continue to meet the mission of providing affordable housing, and modernize its rental housing stock.

Rationale: Adding authority for current MPR tools to existing direct loan statutory authority will provide financing flexibility not currently available in the direct loan program.

Goal: The Section 515 direct loan program does not contain authority to utilize many of the revitalization tools available in the MPR demonstration program. The MPR demonstration program is not currently contained in the statute, and the agency risks not having these critical tools to provide financial support for existing multi-family housing in need of preservation and revitalization if the MPR demonstration program is not re-authorized and the authority for these tools is not added to the direct loan program.

Legislative Language: Title V of the Housing Act of 1949, as amended (42 U.S.C. 1471 et seq.), shall be amended by inserting after Section 543 the following new section:

SEC. 544. PRESERVATION OF MULTIFAMILY HOUSING AND PROTECTION OF TENANTS.

(a) PRESERVATION PROGRAM.—The Secretary shall, subject to the availability of appropriations, carry out a preservation program to provide financial incentives and other assistance to properties financed under Section 514 or Section 515 of this title (42 U.S.C. §§1484 and 1485).

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

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$15,150	\$12,602	-	-
Alaska	21,434	23,577	-	-
American Samoa	6,334	6,846	-	-
Arizona	23,454	18,025	-	-
Arkansas	11,313	11,547	-	-
California	101,223	84,781	-	-

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Colorado	19,398	13,077	-	-
Connecticut	2,740	4,167	-	-
Delaware	8,545	6,619	-	-
Florida	42,550	46,907	-	-
Georgia	24,262	18,393	-	-
Hawaii	7,366	10,882	-	-
Idaho	10,076	7,985	-	-
Illinois	12,029	10,716	-	-
Indiana	39,002	57,763	-	-
Iowa	11,242	8,919	-	-
Kansas	4,578	4,456	-	-
Kentucky	28,244	29,959	-	-
Louisiana	19,080	25,747	-	-
Maine	16,186	16,227	-	-
Maryland	6,411	6,517	-	-
Massachusetts	2,435	1,815	-	-
Michigan	34,166	31,596	-	-
Minnesota	16,216	19,487	-	-
Mississippi	19,746	20,307	-	-
Missouri	11,584	11,813	-	-
Montana	10,671	7,465	-	-
Nebraska	3,725	3,887	-	-
Nevada	8,214	5,439	-	-
New Hampshire	13,282	10,694	-	-
New Jersey	3,729	4,074	-	-
New Mexico	4,600	9,162	-	-
New York	20,060	22,340	-	-
North Carolina	59,491	50,767	-	-
North Dakota	902	2,336	-	-
Ohio	21,746	28,993	-	-
Oklahoma	11,401	7,365	-	-
Oregon	28,948	15,845	-	-
Pennsylvania	17,519	21,135	-	-
Puerto Rico	12,687	10,531	-	-
Rhode Island	2,396	567	-	-
South Carolina	35,428	44,823	-	-
South Dakota	9,025	3,374	-	-
Tennessee	47,892	46,949	-	-
Texas	34,930	31,985	-	-
Utah	37,634	38,856	-	-
Vermont	7,334	7,123	-	-
Virgin Islands	3,359	4,663	-	-
Virginia	33,400	55,295	-	-
Washington	29,743	26,537	-	-
West Virginia	9,600	9,338	-	-
Wisconsin	12,422	14,262	-	-
Wyoming	6,509	5,385	-	-
Distribution Unknown	-	-	\$1,000,000	\$1,500,000
Obligations	1,001,411	999,920	1,000,000	1,500,000

Table RHS-9. Geographic Breakdown of Obligations**Single-Family Housing Native American Relending Pilot Program (thousands of dollars)**

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	-	\$20,842
Obligations	-	-	-	20,842

Table RHS-10. Geographic Breakdown of Obligations**Section 502 Guaranteed Single-Family Housing Loans (thousands of dollars)**

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$719,227	\$821,934	-	-
Alaska	122,880	117,381	-	-
American Samoa	10,484		-	-
Arizona	318,400	315,374	-	-
Arkansas	657,563	700,369	-	-
California	557,715	476,431	-	-
Colorado	265,714	258,630	-	-
Connecticut	161,386	126,213	-	-
Delaware	193,523	190,872	-	-
Florida	876,589	880,112	-	-
Georgia	940,817	853,808	-	-
Guam	-	17,748	-	-
Hawaii	214,470	205,205	-	-
Idaho	217,219	152,665	-	-
Illinois	342,414	337,999	-	-
Indiana	807,709	806,978	-	-
Iowa	275,036	265,959	-	-
Kansas	213,596	192,344	-	-
Kentucky	652,600	685,259	-	-
Louisiana	1,196,937	1,324,929	-	-
Maine	240,519	215,169	-	-
Maryland	725,013	719,995	-	-
Massachusetts	119,343	84,603	-	-
Michigan	758,924	639,816	-	-
Minnesota	502,223	448,915	-	-
Mississippi	512,261	563,758	-	-
Missouri	867,586	866,020	-	-
Montana	169,656	129,992	-	-
Nebraska	125,565	134,677	-	-
Nevada	116,624	108,938	-	-
New Hampshire	92,863	61,144	-	-
New Jersey	158,216	127,137	-	-
New Mexico	54,064	58,830	-	-
New York	184,852	176,768	-	-
North Carolina	1,218,552	1,278,994	-	-
North Dakota	85,538	91,887	-	-
Ohio	635,554	643,644	-	-
Oklahoma	350,836	366,412	-	-
Oregon	513,202	451,893	-	-
Pennsylvania	747,305	704,484	-	-
Puerto Rico	351,696	459,219	-	-

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Rhode Island	9,640	5,978	-	-
South Carolina	764,968	752,597	-	-
South Dakota	173,757	170,315	-	-
Tennessee	1,099,618	1,134,810	-	-
Texas	908,497	914,044	-	-
Utah	580,920	425,148	-	-
Vermont	64,225	49,039	-	-
Virgin Islands	-	1,647	-	-
Virginia	916,161	1,023,482	-	-
Washington	377,124	296,828	-	-
West Virginia	369,911	392,025	-	-
Wisconsin	331,035	290,237	-	-
Wyoming	204,052	207,483	-	-
Distribution Unknown	-	-	\$24,000,000	\$30,000,000
Obligations	23,074,579	22,726,138	24,000,000	30,000,000

Table RHS-11. Geographic Breakdown of Obligations**Section 515 Multifamily Housing Direct Loans (thousands of dollars)**

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$746	\$13,698	-	-
California	2,467	-	-	-
Connecticut	599	-	-	-
Florida	-	2,358	-	-
Indiana	-	9,384	-	-
Kentucky	7,259	-	-	-
Maine	-	286	-	-
Michigan	16,625	-	-	-
Mississippi	5,668	-	-	-
Missouri	-	415	-	-
New Hampshire	1,259	-	-	-
New York	-	3,290	-	-
Oregon	-	2,358	-	-
South Carolina	-	210	-	-
Texas	-	2,598	-	-
Vermont	1,314	-	-	-
Virginia	88	2,973	-	-
Washington	2,998	166	-	-
West Virginia	592	730	-	-
Wisconsin	385	-	-	-
Distribution Unknown	-	-	\$40,000	\$200,000
Obligations	40,000	38,466	40,000	200,000

Table RHS-12. Geographic Breakdown of Obligations**Section 538 Multifamily Housing Loans (thousands of dollars)**

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
California	\$13,209	\$39,737	-	-
Connecticut	-	1,462	-	-
Florida	2,785	6,993	-	-
Georgia	-	10,099	-	-

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Idaho	3,235	1,000	-	-
Indiana	2,400	17,779	-	-
Iowa	-	448	-	-
Kansas	4,244	2,292	-	-
Kentucky	2,473	275	-	-
Louisiana	-	16,401	-	-
Maryland	2,214	-	-	-
Michigan	2,741	4,152	-	-
Mississippi	16,257	-	-	-
Montana	1,050	-	-	-
Nevada	-	5,850	-	-
New Mexico	-	7,339	-	-
North Carolina	32,255	15,575	-	-
North Dakota	2,385	-	-	-
Ohio	4,050	-	-	-
Oklahoma	13,123	10,240	-	-
Oregon	7,259	-	-	-
Pennsylvania	18,091	981	-	-
South Carolina	2,910	32,130	-	-
Tennessee	17,285	13,008	-	-
Texas	59,871	18,989	-	-
Utah	-	1,420	-	-
Virginia	200	-	-	-
Washington	-	16,310	-	-
West Virginia	18,651	7,480	-	-
Wisconsin	1,800	-	-	-
Distribution Unknown	-	-	\$230,000	\$400,000
Obligations	228,488	229,960	230,000	400,000

Table RHS-13. Geographic Breakdown of Obligations
Section 504 Direct Housing Repair Loans (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$293	\$145	-	-
Alaska	66	33	-	-
American Samoa	181	-	-	-
Arizona	187	198	-	-
Arkansas	248	274	-	-
California	220	291	-	-
Colorado	121	56	-	-
Connecticut	30	11	-	-
Delaware	4	-	-	-
Florida	197	128	-	-
Georgia	663	553	-	-
Guam	-	279	-	-
Hawaii	178	70	-	-
Idaho	90	96	-	-
Illinois	803	730	-	-
Indiana	418	375	-	-
Iowa	273	343	-	-
Kansas	64	76	-	-
Kentucky	763	714	-	-
Louisiana	383	338	-	-

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Maine	353	244	-	-
Maryland	41	85	-	-
Massachusetts	19	55	-	-
Michigan	1,044	839	-	-
Minnesota	272	339	-	-
Mississippi	860	586	-	-
Missouri	211	161	-	-
Montana	42	65	-	-
Nebraska	99	112	-	-
Nevada	27	52	-	-
New Hampshire	337	225	-	-
New Jersey	44	38	-	-
New Mexico	234	198	-	-
New York	556	543	-	-
North Carolina	835	469	-	-
North Dakota	62	38	-	-
Ohio	525	441	-	-
Oklahoma	233	130	-	-
Oregon	295	155	-	-
Pennsylvania	593	512	-	-
Puerto Rico	161	11	-	-
Rhode Island	8	-	-	-
South Carolina	460	547	-	-
South Dakota	100	80	-	-
Tennessee	979	905	-	-
Texas	1,350	1,394	-	-
Utah	40	26	-	-
Vermont	57	130	-	-
Virgin Islands	5	5	-	-
Virginia	872	898	-	-
Washington	119	127	-	-
West Virginia	312	339	-	-
Wisconsin	301	337	-	-
Wyoming	15	-	-	-
Distribution Unknown	-	-	\$15,665	\$50,000
Obligations	16,643	14,797	15,665	50,000

Table RHS-14. Geographic Breakdown of Obligations**Section 524 Site Development Loans (thousands of dollars)**

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	\$998	\$5,000
Obligations	-	-	998	5,000

Table RHS-15. Geographic Breakdown of Obligations**Section 523 Self-help Housing Land Development Loans (thousands of dollars)**

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	\$1,000	\$5,000
Obligations	-	-	1,000	5,000

Table RHS-16. Geographic Breakdown of Obligations
Single-Family Housing Credit Sales (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Arizona	\$161	\$225	-	-
Oregon	310	-	-	-
Distribution Unknown	-	-	\$1,000	\$10,000
Obligations	471	225	1,000	10,000

Table RHS-17. Geographic Breakdown of Obligations
Section 514 Farm Labor Housing Loans (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Arkansas	\$249	\$84	-	-
Hawaii	1,570	-	-	-
Michigan	165	-	-	-
Nebraska	300	-	-	-
New Mexico	2,650	-	-	-
Oregon	4,000	-	-	-
Tennessee	1,500	-	-	-
Texas	2,500	-	-	-
Washington	3,361	-	-	-
West Virginia	3,800	-	-	-
Wisconsin	-	3,000	-	-
Distribution Unknown	-	-	\$15,608	\$50,000
Obligations	20,095	3,084	15,608	50,000

Table RHS-18. Geographic Breakdown of Obligations
Section 516 Farm Labor Housing Grants (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Mississippi	\$382	-	-	-
Nebraska	2,700	-	-	-
New York	142	-	-	-
Tennessee	1,500	-	-	-
Washington	2,020	\$1,627	-	-
West Virginia	2,193	-	-	-
Distribution Unknown	-	-	\$6,000	\$18,000
Obligations	8,937	1,627	6,000	18,000

Table RHS-19. Geographic Breakdown of Obligations
Multi-family Housing Preservation and Revitalization Zero Interest Rate Loans (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	-	\$93,430
Obligations	-	-	-	93,430

Table RHS-20. Geographic Breakdown of Obligations
Multi-family Housing Preservation and Revitalization Soft Seconds Loans (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	-	\$73,942
Obligations	-	-	-	73,942

Table RHS-21. Geographic Breakdown of Obligations
Multi-family Housing Preservation and Revitalization Grants/Deferrals/Modifications (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	-	\$11,016
Obligations	-	-	-	11,016

Table RHS-22. Geographic Breakdown of Obligations
Section 502 Direct Single-Family Housing Loans American Rescue Plan (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Georgia	-	\$31	-	-
Iowa	-	64	-	-
Kansas	-	53	-	-
Michigan	-	132	-	-
Minnesota	-	56	-	-
Ohio	-	168	-	-
Pennsylvania	-	207	-	-
Texas	-	395	-	-
Wisconsin	-	91	-	-
Distribution Unknown	-	-	\$254,000	\$85,013
Obligations	-	1,197	254,000	85,013

Table RHS-23. Geographic Breakdown of Obligations
Section 504 Direct Housing Repair Loans American Rescue Plan (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	\$58	-
Obligations	-	-	58	-

CLASSIFICATION BY OBJECTS

Table RHS-24. Classification by Objects (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
	Other Objects:				
25.2	Other services from non-Federal sources	\$412,254	\$413,424	\$412,254	\$412,254
41.0	Grants, subsidies, and contributions	120,208	65,477	34,801	224,580
	Total, Other Objects	532,462	478,901	447,055	636,834
99.9	Total, new obligations	532,462	478,901	447,055	636,834

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

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

Rental Assistance Program (including transfer of funds)

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) of the Housing Act of 1949 or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, and for the rural housing voucher program as authorized under section 542 of the Housing Act of 1949, notwithstanding subsection (b) of such section, [~~\$1,495,000,000~~]\$1,601,926,000, of which \$40,000,000 shall be available until September 30, [~~2023~~]2024; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of the amounts made available under this heading, [~~\$1,450,000,000~~]\$1,563,926,000 shall be available for renewal of rental assistance agreements, including agreements where the Secretary determines that a maturing loan for a project cannot reasonably be restructured with another USDA loan or modification and the project was operating with rental assistance under section 521 of the Housing Act of 1949: *Provided further*, That the Secretary may renew the rental assistance agreements in maturing properties, 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 extend the term of the rental assistance contract under section 521 of the Housing Act of 1949 for a project 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 the lesser of (a) the budget-based needs of the project; or (b) the operating cost adjustment factor as a payment standard as provided under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note): *Provided further*, That of the amounts made available under this heading, not less than \$6,000,000 shall be available for newly constructed units financed under section 514 and 516 of the Housing Act of 1949: *Provided further*, That rental assistance agreements entered into or renewed during the current fiscal year shall be funded for a one-year period: *Provided further*, That notwithstanding any other provision of the Act, the Secretary may recapture rental assistance provided under agreements entered into prior to fiscal year [~~2022~~]2023 for a project that the Secretary determines no longer needs rental assistance and use such recaptured funds for current needs: *Provided further*, That notwithstanding any other provision of this Act, the Secretary may recapture funds provided for rental assistance under agreements entered into prior to fiscal year [~~2022~~]2023 for a project that the Secretary determines no longer needs rental assistance: *Provided further*, That such recaptured funds shall remain available for obligation in fiscal year [~~2022~~]2023 for the purposes specified under this heading: *Provided further*, That of the amounts made available under this heading, [~~\$45,000,000~~]\$38,000,000 shall be available for rural housing vouchers to any low-income household, including a household that does not receive rental assistance, residing in a property financed with a section 515 loan that has been prepaid or otherwise paid off after September 30, 2005: *Provided further*, That the amount of such vouchers shall be equal to the difference between comparable market rent for the section 515 unit and the tenant paid rent for such unit: *Provided further*, That such vouchers shall be subject to the availability of annual appropriations: *Provided further*, That the Secretary shall, to the maximum extent practicable, administer such vouchers with current regulations and administrative guidance applicable to section 8 housing vouchers administered by the Secretary of the Department of Housing and Urban Development: *Provided further*, That any balances available for the rural housing voucher program in the "Multi-Family Housing Revitalization Program Account" shall be transferred to and merged with this account and available for the rural housing voucher program: *Provided further*, That if the Secretary determines that the amount made available for vouchers or rental assistance in this Act is not needed for vouchers or rental assistance, the Secretary may use such funds for any of the programs described under this heading.

Change Description

The first change (line 9 to 10 of paragraph 1) inserts appropriations language for authorizing decoupling of the Multifamily Housing Direct Loan Program (section 515) and the Rental Assistance Program. This budget request proposes decoupling these two programs to help with managing section 515 maturing mortgages.

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

Item	Amount
Estimate, 2022	\$1,410,000,000
Change in Appropriation	+ 191,926,000
Budget Estimate, 2023	<u>1,601,926,000</u>

PROJECT STATEMENT

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

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc. or Dec.	Chg Key
Discretionary Appropriations:						
Rental Assistance (Sec. 521).....	\$1,375,000	\$1,410,000	\$1,410,000	\$1,557,926	+\$147,926	(1)
Multi-Family Housing Revitalization Voucher .	-	-	-	38,000	+38,000	(2)
Rental Assistance New Construction.....	-	-	-	6,000	+6,000	(3)
Subtotal.....	1,375,000	1,410,000	1,410,000	1,601,926	+191,926	
Mandatory Appropriations:						
American Rescue Act	-	100,000	-	-	-	
Total Adjusted Approp.....	1,375,000	1,510,000	1,410,000	1,601,926	191,926	
Total Appropriation.....	1,375,000	1,510,000	1,410,000	1,601,926	191,926	
Transfers In:						
Multi-Family Housing Revitalization Voucher 12X2002.....	-	-	-	7,000	7,000	
Bal. Available, SOY.....	40,313	40,313	40,313	40,313	-	
Total Available.....	1,415,313	1,550,313	1,450,313	1,649,239	198,926	
Bal. Available, EOY.....	-40,313	-40,313	-40,313	-47,313	-	
Total Obligations.....	1,375,000	1,510,000	1,410,000	1,601,926	+191,926	

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

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc. or Dec.
Discretionary Obligations:					
Rental Assistance (Sec. 521).....	\$1,375,000	\$1,410,000	\$1,410,000	\$1,557,926	+\$147,926
Multi-Family Housing Revitalization Voucher ..	-	-	-	38,000	+38,000
Rental Assistance New Construction	-	-	-	6,000	+6,000
Subtotal Disc oblig.....	1,375,000	1,410,000	1,410,000	1,601,926	+191,926
Mandatory Obligations:					
American Rescue Act	-	100,000	-	-	
Total Discretionary and Mandatory Obligations.....	1,375,000	1,510,000	1,410,000	1,601,926	191,926
Transfers In.....					
Multi-Family Housing Revitalization Voucher 12X2002.....	-	-	-	7,000	7,000
Balances Available, EOY:					
Rental Assistance (Sec. 521).....	40,313	40,313	40,313	40,313	
Total Bal. Available, EOY.....	40,313	40,313	40,313	40,313	-
Total Available.....	1,415,313	1,550,313	1,450,313	1,649,239	198,926
Bal. Available, SOY.....	-40,313	-40,313	-40,313	-47,313	-
Total Appropriation.....	1,375,000	1,510,000	1,410,000	1,601,926	198,926

Rental Assistance Program

Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities: Objective 5.2: Boost the Financial Security of Rural and Tribal Communities through Access to Affordable Housing Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities.

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

- (1) An increase of \$147,926,000 for Rental Assistance (RA) Grants (Section 521) (\$1,410,000,000 available in 2022).

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

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

The funding level will allow RHS to continue assisting lower-income residents in obtaining and sustaining decent, safe, and sanitary housing in rural communities and reflects the Administration's commitment to that goal. This program provides housing to the most needed population. This increase in funding will enable 279,097 existing contracts to be renewed, including making permanent the approximately 27,000 units that were brought into the program by the American Rescue Plan Act supplemental funding. This program is the federal government's main tool for rural tenant housing as affordable housing in rural America are not easily available.

In 2021, The \$1.41 billion in obligations for the base portion of the program went towards all 50 States, Puerto Rico, and the Virgin Islands in 2021; this is an increase from \$1.375 billion in obligations in 2020. The states that received the most funds were California with \$140 million in obligations and North Carolina with \$95 million in obligations. The major changes in 2021 included the added category of New Construction Grant Funds and the addition of \$100 million in funding for the American Rescue Plan Act.

From the data of the 2021 occupancy report, which the Agency expects to publish in the February/March timeframe:

- White, Non-Hispanic households: 64.69 percent
- Black Non-Hispanic households: 20.30 percent
- Hispanic households: 11.91 percent
- Asian, Pacific Islander households: 0.70 percent
- American Indian/Alaskan Native households: 1.64 percent
- Multi-Racial households: 0.76 percent.
- There was a slight decrease in very low-income households, which represent 91.66 percent of all households. Low-income households represent 7.20 percent of the total.
- Average household incomes are up to \$14,665 from \$14,131 (a 3.78 percent increase); the average income of Rental Assistance (RA) households increased to \$12,501 from \$11,669 (a 7.13 percent increase).
- Female-headed households continue to represent the majority of households (67.22 percent).
- There was no appreciable change in the percentage of elderly/disabled/handicapped households versus non-elderly households, which is 64.06 percent.
- The handicapped population continues to increase within the elderly/disabled/handicapped households.

The budget is proposing to decouple section 515 and section 514 from the Rental Assistance program. Because the Section 515 Rural Rental and 514 Farm Labor Housing portfolios are aging, mortgage maturities will accelerate significantly from 2027 through 2041, and RA support will also be lost. There is an urgent need to find solutions to allow these properties to recapitalize, perform needed rehabilitation and repairs, and be preserved as quality affordable housing assets for many years to come.

Current statute requires a property to have a Section 514 or 515 mortgage to receive Section 521 Rental Assistance (RA). If the Section 514/515 mortgage is paid off through prepayment or maturity the property can no longer receive RA. Because keeping RA in place requires keeping the Section 514/515 mortgage in place, utilizing new private debt or equity to recapitalize and preserve these properties is very difficult, costly and requires complicated subordination agreements. In an effort to address this preservation hurdle, the debt is currently deferred for 20 years under the MPR Demonstration. However, debt deferral creates substantial credit risk due to the 20-year balloon note, is expensive from a credit subsidy perspective, and is not a sustainable long-term preservation path for these properties.

Allowing the Section 514/515 debt to be paid off while keeping the RA in place is essential to facilitate preservation at scale across the Section 515 portfolio. RA is a critical component underlying all modern-day affordable housing platforms and is needed to achieve rents that will support recapitalization. RA is often included in state housing finance agency prioritization for receipt of low-income housing tax credits and other local resources. When the Section 515 mortgage matures or prepays, the debt load of the property is reduced, allowing borrowers to take on additional third-party debt to facilitate recapitalization. This proposal will not have a funding impact in 2023.

- (2) An increase of \$38,000,000 for Multi-family Housing Revitalization Voucher (\$0 available in 2022). This program was funded at \$40,000,000 in 2022 full year CR in the Multi-family Housing Revitalization Program account (A decrease of \$2,000,000 for Multi-family Housing Revitalization Voucher from 2022 CR).

This program was created to offer some protection to eligible multi-family housing tenants in Section 515 rental housing who may be subject to financial hardship through prepayment of the RD mortgage. When a Section 515 property owner pays off the loan, or if the loan is foreclosed, the RD affordable housing requirements may be modified, which can result in increased and unaffordable rents for the tenants. This program provides such tenants with portable vouchers which may be used at the 515 property in which they reside, or at any other rental unit in the United States that passes RD inspection and where the owner accepts RD vouchers.

This program is crucial because the need for low-and moderate-income housing in rural communities is increasing, and the existing supply of decent and affordable housing cannot satisfy this pressing need. It strengthens rural housing markets and provides needed support for new construction and fortifies communities through job creation and the reinvigoration of the local economy. This program supports a significant number of jobs, which are critical to local economies in rural areas. Housing has long been a powerful economic driver in the Nation. Multipliers developed by USDA economists suggest that the program creates or maintains 12.4 jobs for each million dollars in loan guarantees. The budget request includes language that would decouple Rental Assistance from the existence of a multifamily loan on a property, allowing some properties to continue to receive project-based assistance after their loan is paid off. However, not all properties may qualify for such assistance, so the budget request for the Department of Housing and Urban Development (HUD) includes up to \$20 million for Tenant Protection Vouchers that will be authorized for USDA-financed properties that are paid off and do not receive ongoing project-based assistance. The budget request for the Rural Voucher program maintains the current portfolio, but tenants in additional units in properties that no longer qualify for Rental Assistance would receive HUD Tenant Protection Vouchers. This budget continues to provide tenant protection against being rent-overburdened while transitioning the Rural Voucher program to HUD.

Rural housing voucher funding enables tenants in properties that have prepaid their mortgages or been foreclosed to continue to access affordable housing without the benefit of the traditional rental assistance program. Funding protects very low- and low-income families who are affected by the loss of affordable RD housing in rural communities. The program continues to grow at a significant rate, as tenants from prepaying section 515 properties become voucher-eligible and existing voucher recipients remain in the program. The budget is requesting to transfer the voucher program account under the rental assistance account. The voucher account was funded in the multi-family revitalization and preservation account.

Voucher funding needs can be widely varied depending on how many properties choose to pre-pay their loans, the markets where these properties are located, and how many tenants choose to utilize vouchers. In 2021, 7,261 voucher grants were awarded totaling \$34.6 million. In 2021, while funding was spread across nearly every State plus Puerto Rico and Virgin Islands, nearly a quarter of all obligations in vouchers went to Michigan (14 percent) and Wisconsin (10 percent).

(3) An increase of \$6,000,000 for Rental Assistance New Construction Grants (Section 521) (\$0 available in 2022).

The requested funding is a set aside of \$6 million for Rental Assistance contracts to ensure there is funding for the new units that are expected with new construction in multifamily housing direct loans and farm labor housing. A key component of budget increases in rural housing funding is an additional requirement that all of the housing funding for construction or rehabilitation be targeted to projects that improve energy or water efficiency, implement green features, including clean energy generation or building electrification, electric car charging station installations, or address climate resilience of properties. These requirements will improve the adaptability and resilience to climate change events. The budget includes a General Provision requiring single family housing program and multi-family housing programs to encourage these new requirements when providing a loan or a grant.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RHS-28. Section 521 Rural Rental Assistance Program Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$36,246	\$35,452	-	-
Alaska	6,930	8,189	-	-
Arizona	20,326	20,195	-	-
Arkansas	26,559	25,635	-	-
California	124,935	135,415	-	-
Colorado	14,703	14,194	-	-
Connecticut	9,314	9,051	-	-
Delaware	8,719	9,027	-	-
Florida	61,163	62,239	-	-
Georgia	37,935	37,258	-	-
Hawaii	10,277	12,155	-	-
Idaho	18,040	18,679	-	-
Illinois	32,235	30,507	-	-
Indiana	26,564	24,341	-	-
Iowa	26,413	25,967	-	-
Kansas	11,941	10,224	-	-
Kentucky	25,556	25,578	-	-
Louisiana	42,577	43,561	-	-
Maine	37,819	34,066	-	-
Maryland	18,411	18,856	-	-
Massachusetts	12,796	12,956	-	-
Michigan	36,721	36,514	-	-
Minnesota	26,687	27,070	-	-
Mississippi	53,155	53,361	-	-
Missouri	25,632	26,119	-	-
Montana	7,396	8,232	-	-
Nebraska	8,843	8,333	-	-
Nevada	10,560	12,176	-	-
New Hampshire	14,970	13,925	-	-
New Jersey	12,034	12,458	-	-
New Mexico	20,115	20,934	-	-

2023 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE

State/Territory/Country	2020	2021	2022	2023
	Actual	Actual	Estimated	Estimated
New York	29,200	31,142	-	-
North Carolina	90,301	93,204	-	-
North Dakota	7,063	5,142	-	-
Ohio	30,573	28,158	-	-
Oklahoma	24,305	23,860	-	-
Oregon	25,131	27,730	-	-
Pennsylvania	33,696	35,533	-	-
Puerto Rico	21,742	28,683	-	-
Rhode Island	1,684	2,793	-	-
South Carolina	36,238	35,663	-	-
South Dakota	16,457	15,717	-	-
Tennessee	32,302	32,750	-	-
Texas	61,732	70,731	-	-
Utah	10,173	9,393	-	-
Vermont	10,638	10,143	-	-
Virgin Islands	4,401	6,655	-	-
Virginia	35,345	38,037	-	-
Washington	36,441	36,352	-	-
West Virginia	18,007	18,202	-	-
Wisconsin	19,093	20,460	-	-
Wyoming	4,906	6,984	-	-
Distribution Unknown	-	-	\$1,410,000	\$1,557,926
Obligations	1,375,000	1,410,000	1,410,000	1,557,926

Table RHS-29. American Rescue Plan Act (ARPA) Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020	2021	2022	2023
	Actual	Actual	Estimated	Estimated
Alabama	-	\$6,137	-	-
Arizona	-	153	-	-
Arkansas	-	1,108	-	-
California	-	5,076	-	-
Colorado	-	462	-	-
Connecticut	-	564	-	-
Delaware	-	241	-	-
Florida	-	3,210	-	-
Georgia	-	11,733	-	-
Idaho	-	20	-	-
Illinois	-	755	-	-
Indiana	-	1,503	-	-
Iowa	-	61	-	-
Kansas	-	218	-	-
Kentucky	-	6,202	-	-
Louisiana	-	6,559	-	-
Maine	-	520	-	-
Maryland	-	2,683	-	-
Massachusetts	-	95	-	-
Michigan	-	3,539	-	-
Minnesota	-	745	-	-
Mississippi	-	4,865	-	-
Missouri	-	2,179	-	-
Montana	-	58	-	-
Nebraska	-	27	-	-
Nevada	-	262	-	-
New Hampshire	-	245	-	-

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
New Jersey	-	636	-	-
New Mexico	-	193	-	-
New York	-	432	-	-
North Carolina	-	2,166	-	-
Ohio	-	2,252	-	-
Oklahoma	-	1,686	-	-
Oregon	-	483	-	-
Pennsylvania	-	2,443	-	-
Rhode Island	-	24	-	-
South Carolina	-	5,046	-	-
South Dakota	-	61	-	-
Tennessee	-	3,747	-	-
Texas	-	12,298	-	-
Utah	-	228	-	-
Vermont	-	122	-	-
Virginia	-	5,324	-	-
Washington	-	2,016	-	-
West Virginia	-	1,336	-	-
Wisconsin	-	235	-	-
Wyoming	-	51	-	-
Obligations	-	100,000	-	-

Table RHS-30. Rural Voucher Program Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	-	\$38,000
Obligations	-	-	-	38,000

Table RHS-31 Rental Assistance New Construction Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	-	\$6,000
Obligations	-	-	-	6,000

CLASSIFICATION BY OBJECTS*Table RHS-32. Classification by Objects (thousands of dollars)*

Item No.	Item (Discretionary)	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions	\$1,375,000	\$1,510,000	\$1,410,000	\$1,601,926
99.9	Total, new obligations	1,375,000	1,510,000	1,410,000	1,601,926

ACCOUNT 3: MULTI-FAMILY HOUSING REVITALIZATION PROGRAM

APPROPRIATIONS LANGUAGE

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

Multi-family Housing Revitalization Program Account

LEAD-OFF TABULAR STATEMENT

Table RHS-32. Lead-Off Tabular Statement (In dollars)

Item	Program Level	Budget Authority
2022 Estimate	\$124,136,000	\$70,000,000
Change in Appropriation	-124,136,000	-70,000,000
Budget Estimate, 2023	-	-

PROJECT STATEMENT

Table RHS-33. Project Statement Appropriations (thousands of dollars)

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec	Chg Key
Discretionary Appropriations:											
Rural housing voucher program and administrative	\$32,000	\$32,000	\$40,000	\$40,000	\$40,000	\$40,000	-	-	-\$40,000	-\$40,000	(1)
MFH Preservation Zero Loans (Sec. 515)	52,970	28,000	67,862	28,000	82,136	28,000	-	-	-82,136	-28,000	(2)
General Provision: Maturing Mortgages	1,000	1,000	2,000	2,000	2,000	2,000	-	-	-2,000	-2,000	(3)
Subtotal	85,970	61,000	109,862	70,000	124,136	70,000	-	-	-124,136	-70,000	
Offsetting Collections:											
Total Adjusted Approp	85,970	61,000	109,862	70,000	124,136	70,000	-	-	-124,136	-70,000	
Add back:											
Total Appropriation	85,970	61,000	109,862	70,000	124,136	70,000	-	-	-124,136	-70,000	
Recoveries, Other	2,851	2,761	3,453	2,818	2,999	2,750	-	-	-2,999	-2,750	
Bal. Available, SOY	6,782	6,472	9,853	8,152	25,000	21,741	\$56,526	\$26,491	31,526	4,750	
Total Available	95,603	70,233	123,168	80,970	152,135	94,491	56,526	26,491	-92,609	-65,250	
Balances Transferred to RA	-	-	-	-	-	-	-7,000	-7,000			
Balances Transferred to RHIF	-	-	-	-	-	-	-49,526	-19,491	-49,526	-19,491	
Bal. Available, EOY	-16,783	-8,152	-40,067	-21,741	56,526	26,491	-	-	-	-	
Total Obligations	78,820	62,081	83,101	59,229	95,608	68,000	-	-	-	-	

Table RHS-34. Project Statement Obligations (thousands of dollars)

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.
Discretionary Obligations:										
Rural housing voucher program and administrative	\$34,545	\$34,545	\$35,157	\$35,157	\$47,091	\$47,091	-	-	-\$47,091	-
MFH Revitalization Sec.515 Zero Loans	4,231	2,237	9,644	3,979	10,000	3,409	-	-	-10,000	-\$3,409
MFH 515 Revitalization Grants	-	-	420	420	500	500	-	-	-500	-500
MFH Revitalization Modification Deferral (Sec 515)	-	1,255	-	2,142	-	3,500	-	-	-	-3,500
MFH Preservation Soft Seconds Loans (Sec. 515)	39,792	23,792	37,880	17,531	38,017	13,500	-	-	-38,017	-13,500
Total Obligations	78,820	62,081	83,101	59,229	95,608	68,000			-95,608	-68,000
Balances Transferred to RHIF	-	-	-	-	-	-	\$49,526	\$19,491	-	-
Balances Transferred to RA	-	-	-	-	-	-	7,000	7,000	-	-
Balances Available, EOY:										
MPR Zero Interest Rate	513	271	13,192	5,443	27,548	9,391	-	-	-	-
MPR Soft Second	5,470	3,192	7,773	3,597	7,040	2,500	-	-	-	-
Vouchers	1,654	1,654	4,370	4,370	6,000	6,000	-	-	-	-
Vouchers Admin Expenses - IT	261	261	655	655	1,000	1,000	-	-	-	-
515 MFH Revit. Deferrals of Liquidating Loans	5,111	-	1,803	1,803	1,338	-	-	-	-	-
MFH Preservation Pilot Program	1,000	1,000	5,000	5,000	7,000	7,000	-	-	-	-
515 Revitalization Grants	1,774	1,774	418	418	100	100	-	-	-	-
Cost of Modified Subsidy	-	-	6,855	454	6,500	500	-	-	-	-
Total Bal. Available, EOY	16,783	8,152	40,067	21,741	56,526	26,491	-	-	-	-
Total Available	95,603	70,233	123,168	80,970	152,134	94,491	56,526	26,491	-	-
Less:										
Recoveries, Other	-2,851	-2,761	-3,453	-2,818	-2,999	-2,750	-	-	-	-
Bal. Available, SOY	-6782	-6,472	-9,853	-8,152	-25,000	-21,741	-56,526	-26,491	-	-
Total Appropriation	85,970	61,000	109,862	70,000	124,135	70,000	-	-	-	-

Multi-Family Housing Revitalization Program

The multi-family housing revitalization activities were transferred and merged into other accounts in the President’s 2022 Budget request. Section 515 multi-family revitalization and preservation loans were moved to the Rural Housing Insurance Funds (RHIF) account. Rural Housing Vouchers will be moved to the Rental Assistance account.

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

- (1) Voucher program has been moved to the Rental Assistance Grant account, please see that account for Justification, please see that account for Justification.

The agency continues to request funds for this program; however, starting in 2023 the budget is proposing to merge this program under the Rental Assistance (RA) Program account. This program was created to offer some protection to eligible multi-family housing tenants in Section 515 rental housing who may be subject to financial hardship through prepayment of the RD mortgage. When a Section 515 property owner pays off the loan, or if the loan is foreclosed, the RD affordable housing requirements may be modified, which can result in increased and unaffordable rents for the tenants. This program provides such tenants with portable vouchers which may be used at the 515 property in which they reside, or at any other rental unit in the United States that passes RD inspection and where the owner accepts RD vouchers. The 2023 budget is requesting \$38 million for this program in the RA Account.

- (2) Section 515 Multi-family Preservation and Revitalization Loan Program have been moved to the Rural Housing Insurance Fund account, please see that account for Justification.

The agency continues to request funds for this program; however, starting in 2023 the budget is requesting these funds out of the Rural Housing Insurance Fund (RHIF). Section 515 loans are made by the agency, acting as a lender, to qualified applicants that cannot obtain commercial credit on terms that will allow them to charge rents that are affordable to low-income tenants. Funds are primarily intended for the construction, improvement, and purchase of multifamily rental housing for very low- to moderate-income families, the elderly, and disabled individuals in eligible rural areas, however, funds may also be available to buy and improve land and provide necessary infrastructure. The 2023 budget is requesting \$75 million in program level for this program under RHIF.

- (3) A decrease of \$2,000,000 for Maturing Mortgage (\$2,000,000 available in 2022).

The 2023 budget is not requesting funding for this general provision.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RHS-35. Multi-Family Housing Rural Housing Voucher Program Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$243	\$496	-	-
Alaska	83	69	-	-
Arizona	402	369	-	-
Arkansas	136	129	-	-
California	13	9	-	-
Colorado	134	119	-	-
Connecticut	25	-	-	-
Delaware	2,517	25	-	-
Florida	827	2,377	-	-
Georgia	100	714	-	-
Idaho	510	451	-	-
Hawaii	-	62	-	-
Illinois	840	899	-	-

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Indiana	1,730	1,804	-	-
Iowa	1,545	1,289	-	-
Kansas	546	451	-	-
Kentucky	210	172	-	-
Louisiana	212	162	-	-
Maine	668	717	-	-
Maryland	51	37	-	-
Massachusetts	75	60	-	-
Michigan	3,548	5,031	-	-
Minnesota	1,185	1,463	-	-
Mississippi	293	297	-	-
Missouri	958	1,019	-	-
Montana	904	867	-	-
Nebraska	780	597	-	-
Nevada	60	52	-	-
New Hampshire	290	305	-	-
New Jersey	467	423	-	-
New Mexico	174	164	-	-
New York	1,343	1,346	-	-
North Carolina	308	383	-	-
North Dakota	319	271	-	-
Ohio	520	499	-	-
Oklahoma	256	192	-	-
Oregon	218	193	-	-
Pennsylvania	1,411	1,128	-	-
Puerto Rico	21	5	-	-
Rhode Island	23	7	-	-
South Carolina	1,074	1,026	-	-
South Dakota	1,473	1,301	-	-
Tennessee	743	547	-	-
Texas	2,189	1,835	-	-
Utah	240	93	-	-
Vermont	6	6	-	-
Virgin Islands	113	133	-	-
Virginia	135	100	-	-
Washington	1,603	1,388	-	-
West Virginia	73	61	-	-
Wisconsin	2,877	3,427	-	-
Wyoming	74	61	-	-
Distribution Unknown	-	-	\$49,400	-
Obligations	34,545	34,630	49,400	-

Table RHS-36. Multi-Family Housing Rural Housing Voucher Program Administrative Expenses Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	\$527	\$600	-
Obligations	-	527	600	-

Table RHS- 37 Multi-Family Revitalization – Zero Loans Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Enacted	2022 Estimated	2023 Estimated
Illinois	-	\$326	-	-
Indiana	-	3,319	-	-
Louisiana	\$1,000	-	-	-
Michigan	-	809	-	-
New York	-	2,645	-	-
Ohio	540	-	-	-
South Carolina	2,691	-	-	-
Vermont	-	312	-	-
Virginia	-	1,532	-	-
Washington	-	700	-	-
Distribution Unknown	-	-	\$10,000	-
Obligations	4,231	9,644	10,000	-

Table RHS-38. Multi-Family Revitalization – Soft Seconds Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$6,993	\$9,638	-	-
Arkansas	-	1,823	-	-
Connecticut	1,586	-	-	-
Colorado	-	328	-	-
Illinois	-	234	-	-
Indiana	220	1,534	-	-
Louisiana	8,607	2,410	-	-
Maine	2,165	-	-	-
Michigan	-	1,708	-	-
Missouri	1,783	6,910	-	-
New York	-	6,378	-	-
Ohio	5,155	2,837	-	-
Oklahoma	-	2,544	-	-
Oregon	2,895	-	-	-
South Carolina	3,012	-	-	-
Texas	2,706	-	-	-
Vermont	172	731	-	-
Washington	245	806	-	-
Wisconsin	4,253	-	-	-
Distribution Unknown	-	-	\$32,642	-
Obligations	39,792	37,880	32,642	-

Table RHS-39. Multi-Family Revitalization – 515 Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Missouri	-	\$420	-	-
Distribution Unknown	-	-	\$500	-
Obligations	-	420	500	-

Table RHS-40. Multi-Family Revitalization – General Provision: Maturing Mortgages Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	\$500	-
Obligations	-	-	500	-

CLASSIFICATION BY OBJECTS

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions	\$62,081	\$59,229	\$68,000	-
99.9	Total, new obligations	62,081	59,229	68,000	-

ACCOUNT 4: MUTUAL AND SELF-HELP HOUSING GRANTS

APPROPRIATIONS LANGUAGE

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

Mutual and Self-Help Housing Grants

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), [~~\$32,000,000~~]\$40,000,000, to remain available until expended.

LEAD-OFF TABULAR STATEMENT

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

Item	Amount
Estimate, 2022	\$31,000,000
Change in Appropriation	<u>+ 9,000,000</u>
Budget Estimate, 2023	<u><u>40,000,000</u></u>

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

Item	2020 Actual BA	2021 Actual BA	2022 Estimated BA	2023 Estimated BA	Budget authority Inc or Dec	Chg Key
Discretionary Appropriations:						
Mutual and self-help housing grants.....	\$31,000	\$31,000	\$31,000	\$40,000	+\$9,000	(1)
Subtotal.....	31,000	31,000	31,000	40,000	+9,000	
Total Adjusted Approp.....	31,000	31,000	31,000	40,000	9,000	
Total Appropriation.....	31,000	31,000	31,000	40,000	9,000	
Recoveries, Other	1,199	137	500	375	-125	
Bal. Available, SOY.....	3,460	2,875	2,152	2,127	-25	
Total Available.....	35,659	34,012	33,652	42,502	8,850	
Bal. Available, EOY.....	-2,875	-2,152	-2,127	-377	+1,750	
Total Obligations.....	32,784	31,861	31,525	42,125	+10,600	

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

Item	2020 Actual BA	2021 Actual BA	2022 Estimated BA	2023 Estimated BA	Budget authority Inc or Dec
Discretionary Obligations:					
Mutual and self-help grants.....	\$32,784	\$31,861	\$31,525	\$42,125	+\$10,600
Subtotal Disc oblig.....	32,784	31,861	31,525	42,125	+10,600
Total Obligations.....	32,784	31,861	31,525	42,125	10,600
Balances Available, EOY:					
Mutual and self-help grants.....	2,875	2,152	2,127	377	-1,750
Total Bal. Available, EOY.....	2,875	2,152	2,127	377	-1,750
Total Available.....	35,659	34,012	33,652	42,502	8,850
Recoveries, Other	-1,199	-137	-500	-375	125
Bal. Available, SOY.....	-3,460	-2,875	-2,152	-2,127	25
Total Appropriation.....	31,000	31,000	31,000	40,000	9,000

Mutual and Self-Help Housing Grants

Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities: Objective 5.2: Boost the Financial Security of Rural and Tribal Communities through Access to Affordable Housing Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities.

Access to affordable and safe housing is at the foundation of strong communities, healthy families and vibrant economies. USDA is committed to ensuring that people living in rural and tribal communities have equitable and affordable access to housing. Rural Development will improve delivery of its housing programs and resources, by embedding key Departmental priorities such as climate and equity. This includes continuing to identify opportunities to make housing more accessible, expanding outreach into underserved rural and tribal communities, and committing to creating more sustainable and energy efficient housing. In doing so, Rural Development will help keep families in rural America financially secure in their homes, especially in the face of the COVID-19 pandemic

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

- (1) An increase of \$9,000,000 for Mutual and Self-Help Housing Grants (\$31,000,000 available in 2022).

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 \$40 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 2021 program obligations totaling \$31.9 million for 52 grants provided to non-profit organizations in rural America. This program is instrumental for reaching out to minority populations as they are working with contractor to build their houses before requesting a section 502 Direct mortgage.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RHS-44. Geographic Breakdown of Obligations Mutual Self-Help Housing Grants (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	-	\$401	-	-
Alaska	\$628	91	-	-
Arizona	1,289	2,909	-	-
Arkansas	944	1,311	-	-
California	10,211	4,998	-	-
Colorado	635	2,001	-	-
Delaware	1,195	1,096	-	-
District of Columbia	83	81	-	-
Florida	1,248	3,913	-	-
Hawaii	300	620	-	-
Idaho	-	624	-	-
Indiana	425	-	-	-
Kansas	-	625	-	-
Kentucky	-	106	-	-
Maryland	-	485	-	-
Massachusetts	300	-	-	-
Mississippi	49	-	-	-
Missouri	-	50	-	-
Montana	1,605	785	-	-
New Jersey	397	-	-	-
New Mexico	169	-	-	-

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
North Carolina	1,369	-	-	-
Ohio	-	75	-	-
Oklahoma	3,874	1,993	-	-
Pennsylvania	470	-	-	-
Rhode Island	-	91	-	-
South Dakota	55	867	-	-
Tennessee	300	-	-	-
Utah	5,617	5,109	-	-
Virginia	-	44	-	-
Washington	1,590	3,190	-	-
Western Pacific	30	398	-	-
Distribution Unknown	-	-	\$31,525	\$42,125
Obligations	32,784	31,861	31,525	42,125

CLASSIFICATION BY OBJECTS

Table RHS-45. Classification by Objects (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions	\$32,784	\$31,861	\$31,525	\$42,125
99.9	Total, new obligations	32,784	31,861	31,525	42,125

ACCOUNT 5: RURAL HOUSING ASSISTANCE GRANTS

APPROPRIATIONS LANGUAGE

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

Rural Housing Assistance Grants

For grants for very low-income housing repair and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, and 1490m, [~~\$45,000,000~~]\$75,000,000, to remain available until expended.

LEAD-OFF TABULAR STATEMENT

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

Item	Amount
Estimate, 2022	\$47,500,000
Change in Appropriation	<u>+ 27,500,000</u>
Budget Estimate, 2023	<u><u>75,000,000</u></u>

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

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc. or Dec.	Chg Key
Discretionary Appropriations:						
Very Low-Income Housing Repair Grants.....	\$30,000	\$30,000	\$30,000	\$45,000	+\$15,000	(1)
Rural Housing Preservation Grants.....	15,000	15,000	15,000	30,000	+15,000	(2)
GP Protecting Animals with Shelter.....	2,000	2,500	2,500	-	-2,500	(3)
Subtotal.....	47,000	47,500	47,500	75,000	+27,500	
Offsetting Collections:						
Total Adjusted Approp.....	47,000	47,500	47,500	75,000	27,500	
Total Appropriation.....	47,000	47,500	47,500	75,000	27,500	
Recoveries, Other	1,764	1,934	1,728	1,720	-8	
Bal. Available, SOY.....	12,610	14,126	22,772	24,000	+1,228	
Total Available.....	61,373	63,560	72,000	100,720	28,720	
Bal. Available, EOY.....	-14,126	-22,772	-24,000	-25,720	-1,720	
Total Obligations.....	47,247	40,788	48,000	75,000	+27,000	

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

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc. or Dec.
Discretionary Obligations:					
Very Low-Income Housing Repair Grants.....	\$31,542	\$24,643	\$30,000	\$45,000	+\$15,000
Rural Housing Preservation Grants.....	13,626	13,679	15,000	30,000	+15,000
GP Protecting Animals with Shelter.....	2,000	2,420	3,000	-	-3,000
Compensation for Construction Defects Grants.....	79	46	-	-	-
Total Obligations.....	47,247	40,788	48,000	75,000	27,000
Balances Available, EOY:					
GP Protecting Animals with Shelter.....	-	80	500	-	-500
Rural Housing Preservation Grants.....	-	7,000	11,121	11,681	+560
Very Low-Income Housing Repair Grants.....	14,126	15,692	12,379	14,039	1,660
Total Bal. Available, EOY.....	14,126	22,772	24,000	25,720	+1,720
Total Available.....	61,373	63,560	72,000	100,720	28,720
Less:					
Recoveries, Other	-1,764	-1,934	-1,728	-1,720	8
Bal. Available, SOY.....	-12,610	-14,126	-22,772	-24,000	-1,228
Total Appropriation.....	47,000	47,500	47,500	75,000	27,500

Rural Housing Assistance Grants

Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities: Objective 5.2: Boost the Financial Security of Rural and Tribal Communities through Access to Affordable Housing Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities.

Access to affordable and safe housing is at the foundation of strong communities, healthy families and vibrant economies. USDA is committed to ensuring that people living in rural and tribal communities have equitable and affordable access to housing. Rural Development will improve delivery of its housing programs and resources, by embedding key Departmental priorities such as climate and equity. This includes continuing to identify opportunities to make housing more accessible, expanding outreach into underserved rural and tribal communities, and committing to creating more sustainable and energy efficient housing. In doing so, Rural Development will help keep families in rural America financially secure in their homes, especially in the face of the COVID-19 pandemic

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

- (1) An increase of \$15,000,000 for the Very Low-Income Housing Repair Grants (Section 504) (\$30,000,000 available in 2022).

The increase in funding for this program is essential because repair grants assist very low-income elderly rural homeowners 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. 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, Rural Development secures decent, safe, and affordable housing for rural residents, which is a fundamental agency objective. The Agency obligated \$24.6 million across 3,709 grants in 2021. Additionally, the Agency continued its support of Persistent Poverty areas as \$2.1 million went towards Housing Repair Grants-Persistent Poverty, five grants for \$41 thousand were award for Housing Repair Underserved Areas Grants-Persistent Poverty, and four grants for \$32 thousand were award for Colonias Grants for Persistent Poverty. An increase in \$15 million would support approximately 2,288 grants at the current average grant amount of \$6,555.

- (2) An increase of \$15,000,000 for Rural Housing Preservation Grants (Section 533) (\$15,000,000 available in 2022).

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 elderly rural residents with maintaining their houses free of health and safety hazards. In 2021, the Agency obligated approximately \$13.7 million across 41 states, Puerto Rico, and the Western Pacific; Texas received the most funding with approximately \$1.5 million in obligations towards seven grants. The Agency awarded one Persistent Poverty grant for \$50,000 in Colorado. An increase in \$15 million would support approximately 128 more grants at the current average grant amount of \$116,920.

- (3) A decrease of \$2,500,000 for Rural Housing Assistance Grants, Protecting animals with Shelter, General Provision 754 (\$2,500,000 available in 2022).

The budget is not requesting funding for this program.

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

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$349	\$285	-	-
Alaska	138	45	-	-
Arizona	554	314	-	-
Arkansas	354	369	-	-
California	573	614	-	-
Colorado	168	131	-	-
Connecticut	47	29	-	-
Delaware	11	4	-	-
Florida	532	409	-	-
Georgia	1,238	827	-	-
Hawaii	55	54	-	-
Idaho	105	76	-	-
Illinois	1,286	1,037	-	-
Indiana	789	433	-	-
Iowa	661	456	-	-
Kansas	75	83	-	-
Kentucky	1,446	1,386	-	-
Louisiana	663	694	-	-
Maine	433	426	-	-
Maryland	98	76	-	-
Massachusetts	36	72	-	-
Michigan	1,602	1,368	-	-
Minnesota	248	288	-	-
Mississippi	2,627	1,304	-	-
Missouri	335	223	-	-
Montana	75	103	-	-
Nebraska	132	81	-	-
Nevada	13	64	-	-
New Hampshire	436	288	-	-
New Jersey	180	133	-	-
New Mexico	355	299	-	-
New York	1,198	1,020	-	-
North Carolina	1,737	985	-	-
North Dakota	83	100	-	-
Ohio	613	661	-	-
Oklahoma	304	174	-	-
Oregon	193	144	-	-
Pennsylvania	1,236	1,019	-	-
Puerto Rico	434	38	-	-
Rhode Island	19	13	-	-
South Carolina	725	827	-	-
South Dakota	124	57	-	-
Tennessee	1,817	1,464	-	-
Texas	3,606	2,693	-	-
Utah	37	8	-	-
Vermont	287	285	-	-
Virgin Islands	12	25	-	-
Virginia	1,830	1,577	-	-
Wake Island	414	379	-	-
Washington	251	200	-	-
West Virginia	435	545	-	-
Wisconsin	536	442	-	-

State/Territory/Country	2020	2021	2022	2023
	Actual	Actual	Estimated	Estimated
Wyoming	37	18	-	-
Distribution Unknown	-	-	\$24,851	\$45,000
Obligations	31,542	24,643	24,851	45,000

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

State/Territory/Country	2020	2021	2022	2023
	Actual	Actual	Estimated	Estimated
Arizona	\$216	\$150	-	-
Arkansas	280	281	-	-
California	565	565	-	-
Colorado	102	288	-	-
Connecticut	106	55	-	-
Florida	402	351	-	-
Georgia	572	470	-	-
Hawaii	96	134	-	-
Illinois	274	376	-	-
Indiana	622	508	-	-
Iowa	163	163	-	-
Kansas	100	137	-	-
Kentucky	423	463	-	-
Louisiana	385	523	-	-
Maine	214	249	-	-
Maryland	350	349	-	-
Massachusetts	96	-	-	-
Michigan	361	362	-	-
Minnesota	202	272	-	-
Mississippi	540	436	-	-
Missouri	299	358	-	-
Montana	88	100	-	-
Nebraska	60	225	-	-
Nevada	-	50	-	-
New Hampshire	100	-	-	-
New Jersey	231	298	-	-
New Mexico	174	175	-	-
New York	357	334	-	-
North Carolina	546	546	-	-
North Dakota	70	194	-	-
Ohio	419	488	-	-
Oklahoma	-	233	-	-
Oregon	250	173	-	-
Pennsylvania	367	448	-	-
Puerto Rico	100	100	-	-
Rhode Island	50	-	-	-
South Carolina	327	327	-	-
Tennessee	464	434	-	-
Texas	1,475	1,486	-	-
Utah	152	102	-	-
Vermont	525	175	-	-
Virginia	323	423	-	-
Washington	-	200	-	-
West Virginia	253	215	-	-
West Pacific	-	148	-	-
Wisconsin	418	313	-	-
Wyoming	101	-	-	-

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	\$15,000	\$30,000
Obligations	13,626	13,679	15,000	30,000

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

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	\$2,000	\$2,420	\$3,000	-
Obligations	2,000	2,420	3,000	-

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

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alaska	-	\$45	-	-
Kentucky	\$36	1	-	-
North Carolina	3	-	-	-
Obligations	79	46	-	-

CLASSIFICATION BY OBJECTS

Table RHS-53. Classification by Objects (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions	\$47,247	\$40,788	\$48,097	\$75,000
99.9	Total, new obligations	47,247	40,788	48,097	75,000

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

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

Rural Community Facilities Program Account (including transfers of funds)

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

For the cost of direct loans, loan guarantees and grants, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, for rural community facilities programs as authorized by section 306 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act, \$74,000,000, to remain available until expended: *Provided*, That [~~\$6,000,000~~]\$12,000,000 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 and or loan guarantees under this heading in this fiscal year: *Provided further*, That no amounts may be made available pursuant to the preceding proviso from amounts that were designated by the Congress as an emergency requirement pursuant to a Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That \$10,000,000 of the amount appropriated under this heading shall be available for community facilities grants to tribal colleges, as authorized by section 306(a)(19) of such Act: *Provided further*, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the funds made available under this heading.

Table RHS-54. Lead-Off Tabular Statement (In dollars)

Item	Grants	Program Level	Subsidy
Estimate, 2022	\$51,000,000	\$3,351,000,000	\$25,000,000
Change in Appropriation	+ 23,000,000	+ 23,000,000	-25,000,000
Budget Estimate, 2023	74,000,000	3,374,000,000	-

PROJECT STATEMENT

Table RHS-55. Project Statement Appropriations (thousands of dollars)

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.	Chg Key
Discretionary Appropriations:											
Community Facilities Direct Loans.....	\$2,800,000	\$36,832	\$2,800,000	-	\$2,800,000	-	\$2,800,000	-	-	-	(1)
Community Facilities Guaranteed Loans.....	500,000	-	500,000	-	500,000	-	500,000	-	-	-	(2)
Direct Community Facility Variable Rate Loans.....	-	-	347,705	\$25,000	-	\$25,000	-	-	-	-\$25,000	(3)
Community Facilities Grants.....	32,000	32,000	32,000	32,000	32,000	32,000	52,000	\$52,000	+\$20,000	+20,000	(4)
Rural Community Development Initiative Grants.....	6,000	6,000	6,000	6,000	6,000	6,000	12,000	12,000	+6,000	+6,000	(5)
Tribal College Grants.....	5,000	5,000	5,000	5,000	5,000	5,000	10,000	10,000	+5,000	+5,000	(6)
Economic Impact Initiative.....	6,000	6,000	6,000	6,000	6,000	6,000	-	-	-6,000	-6,000	(7)
GP Rural Hospitals Pilot.....	1,000	1,000	2,000	2,000	2,000	2,000	-	-	-2,000	-2,000	(8)
Subtotal.....	3,350,000	86,832	3,698,705	76,000	3,351,000	76,000	3,374,000	74,000	+23,000	-2,000	
Mandatory Appropriations:											
American Rescue Act PL 117-2.....	-	-	475,000	475,000	-	-	-	-	-	-	
Administrative Expenses: American Rescue Act adding PL 117-2.....	-	-	25,000	25,000	-	-	-	-	-	-	
Subtotal.....	-	-	500,000	500,000	-	-	-	-	-	-	
Total Adjusted Approp.....	3,350,000	86,832	4,198,705	576,000	3,351,000	76,000	3,374,000	74,000	23,000	-	
Add back:.....	-	-	-	-	-	-	-	-	-	-	
Rescission, Transfers In and Out.....	-	-36,832	-	-	-	-	-	-	-	-	
Total Appropriation.....	3,350,000	50,000	4,198,705	576,000	3,351,000	76,000	3,374,000	74,000	23,000	-	
Transfers In:											
Interchange Trans. (RUS W&W to CF Direct)...	-	36,832	-	-	-	-	-	-	-	-	
Total Transfers In.....	-	36,832	-	-	-	-	-	-	-	-	
Transfers Out:											
Recoveries, Other	206,569	3,595	215,000	4,282	238,000	3,825	176,522	4,210	-\$61,478	\$385	
Bal. Available, SOY.....	310,815	160,023	492,182	135,142	583,972	548,185	411,782	376,000	-172,190	-172,185	
Total Available.....	3,867,383	250,450	4,905,887	715,424	4,172,972	628,010	3,962,304	454,210	-210,668	-171,800	
Lapsing Balances.....	-1,892,335	-1,000	-2,468,171	-1,239	-1,698,090	-1,010	-1,699,568	-1,210	-1,478	-200	
Bal. Available, EOY.....	-492,182	-135,142	-583,972	-548,185	-411,782	-376,000	-85,219	-79,000	+326,563	+297,000	
Total Obligations.....	1,482,866	114,308	1,853,744	166,000	2,063,100	251,000	2,177,517	374,000	+114,417	+123,000	

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

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.
Discretionary Obligations:										
Community Facilities Direct Loans.....	\$1,267,840	-	\$1,158,479	-	\$1,684,000	-	\$1,648,000	-	-\$36,000	-
Community Facilities Guaranteed Loans	100,718	-	242,349	-	153,100	-	155,517	-	+2,417	-
Direct Community Facility Variable Rate Loans.....	-	-	309,145	\$22,228	-	\$25,000	-	-	-	-\$25,000
Community Facilities Grants	34,372	\$34,372	29,821	29,821	32,000	32,000	52,000	\$52,000	+20,000	+20,000
GP Hospital Pilot.....	1,000	1,000	2,000	2,000	2,000	2,000	-	-	-2,000	-2,000
Rural Community Development Initiative Grants	6,504	6,504	5,733	5,733	6,000	6,000	12,000	12,000	+6,000	+6,000
Tribal College Grants.....	5,178	5,178	5,006	5,006	5,000	5,000	10,000	10,000	+5,000	+5,000
Community Facilities Disaster Grants.....	59,479	59,479	68,396	68,396	-	-	-	-	-	-
Essential Community Facilities TAT Grants.....	1,500	1,500	1,500	1,500	-	-	-	-	-	-
Administrative Expenses: Economic Impact Initiative Grants.....	589	589	300	300	300	300	-	-	-300	-300
Economic Impact Initiative Grants.....	5,686	5,686	6,017	6,017	5,700	5,700	-	-	-5,700	-5,700
Subtotal Disc oblig.....	1,482,866	114,308	1,828,746	141,000	1,888,100	76,000	1,877,517	74,000	-10,583	-2,000
Mandatory Obligations:										
American Rescue Act.....	-	-	-	-	175,000	175,000	300,000	300,000	+125,000	+125,000
Administrative Expenses: American Rescue Act PL 117-2.....	-	-	25,000	25,000	-	-	-	-	-	-
Subtotal Mand Oblig.....	-	-	25,000	25,000	175,000	175,000	300,000	300,000	+125,000	+125,000
Total Obligations.....	1,482,866	114,308	1,853,746	166,000	2,063,100	251,000	2,177,517	374,000	-	-
Add back:.....										
Lapsing Balances.....	1,892,335	1,000	2,468,170	1,239	1,698,090	1,010	1,699,568	1,210	+1,478	+200
Balances Available, EOY:										
Community Facilities Guaranteed Loans	399,282	2,074	-	-	-	-	-	-	-	-
Direct Community Facility Variable Rate Loans.....	-	-	38,560	2,772	38,554	2,772	38,554	2,772	-	-
Modification Cost.....	-	40,168	40,167	40,167	40,167	40,167	-	29,563	-40,167	-10,604
American Rescue Act adding PL 117-2.....	-	-	475,000	475,000	300,000	300,000	-	-	-300,000	-300,000
Community Facility Grants.....	1,005	1,005	4,747	4,747	4,920	4,920	5,025	5,025	+105	+105
Rural Community Development Initiative Grants.....	301	301	910	910	1,025	1,025	2,590	2,590	+1,565	+1,565
Persistent Poverty Grants	396	396	262	262	350	350	250	250	-100	-100
Tribal College Grants.....	-	-	910	910	955	955	3,250	3,250	+2,295	+2,295
Economic Impact Initiative Grants.....	787	787	431	431	375	375	350	350	-25	-25

2023 USDA EXPLANATORY NOTES – RURAL HOUSING SERVICE

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Estimated BA	2023 Program Level	2023 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.
Disaster Relief Grants P.L. 116-20.....	90,411	90,411	22,985	22,986	25,436	25,436	35,200	35,200	+9,764	+9,764
Total Bal. Available, EOY.....	492,182	135,142	583,972	548,185	411,782	376,000	85,219	79,000	-326,563	-297,000
Total Available.....	3,867,383	250,450	4,905,887	715,424	4,172,972	628,010	3,962,304	454,210	-210,668	-173,800
Less:										
Total Transfers In.....	-	-36,832	-	-	-	-	-	-	-	-
Recoveries, Other	-206,569	-3,595	-215,000	-4,282	-238,000	-3,825	-176,522	-4,210	61,478	-385
Bal. Available, SOY.....	-310,815	-160,023	-492,182	-135,142	-583,972	-548,185	-411,782	-376,000	172,190	172,185
Total Appropriation.....	3,350,000	50,000	4,198,705	576,000	3,351,000	76,000	3,374,000	74,000	23,000	-2,000

Community Facilities Program Account

Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities: Objective 5.1: Improve Rural and Tribal Community Infrastructure, Including Affordable E-Connectivity, Cornerstone Community Facilities, Sustainable and Reliable Power, and Clean and Safe Water and Sewer; and Objective 5.4: Promote Environmental Justice by Maximizing Sustainable and Green Economic Development in Rural and Tribal Communities.

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

(1) No change for Direct Community Facility (CF) Loan Program (\$2,800,000,000 available in 2022).

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

Direct loans are primarily targeted to health care, education, and public safety. This program obligated 435 direct loans totaling \$1.158 billion in 2021. The agency also obligated 17 loans totaling \$18.3 million in persistent poverty areas, primarily in North Carolina but also in other Southeastern states such as Alabama, Georgia, Kentucky, and Virginia.

(2) No change for Guaranteed Community Facility (CF) Loan Program (\$500,000,000 available in 2022).

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

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

This program has obligated 28 guaranteed loans totaling \$242.3 million across the U.S. The top five states with the largest investments include: Alabama, Washington, Illinois, New York, and South Carolina. Approximately 48 percent of the guaranteed loans supported general medical and surgical hospitals in rural communities.

(3) A decrease of \$25,000,000 in Community Facilities Subsidy for Non-Conforming loans (\$25,000,000 available in 2022).

The budget is not requesting this funding. The budget does not support non-conforming loans.

(4) An increase of \$20,000,000 for Community Facilities Grants (\$32,000,000 available in 2022).

The CF Grant Program provides funding to eligible public bodies, community-based nonprofit corporations, and Federally recognized Indian Tribes to develop essential community facilities in rural areas. Funds can be used to purchase, construct, and/or improve essential community facilities, pay related project expenses, and purchase equipment. Examples of essential community facilities include hospitals, medical and dental clinics, town halls, courthouses, museums, libraries, street improvements, and transitional housing. CF grants, often used in conjunction with loans to meet funding needs, can also help defray pre-development and compliance-associated costs which enable rural communities to move forward with needed projects.

In 2021, 563 grants totaling approximately \$29.821 million were awarded. This grant program is one of the primary programs furthering the Department's goal to develop rural communities through the financing of community infrastructure projects that spur economic growth, job creation, and improve access to essential facilities and services. By providing grants to nonprofit organizations in high-need, high-poverty areas to develop or improve essential community facilities and services it ensures that rural residents have access to good schools, quality healthcare, and adequate public safety facilities and service. The grant recipients are equally distributed across the U.S. and demand for the program has increased over the last five years. This program will be instrumental in providing funds for local communities that have less access to financing. Five states received between \$1 and \$1.5 million in grant funding, those states are Pennsylvania, Michigan, North Carolina, Georgia, South Carolina, and Texas. Across the program, the Agency awarded \$4.4 million in grants for police cars, \$2.8 million in street maintenance equipment, and \$2.3 million for fire trucks.

(5) An increase of \$6,000,000 for Rural Community Development Initiative Grants (\$6,000,000 available in 2022).

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

The program awarded 32 grants for \$5.7 million in 2021. Assistance ranged from \$250 thousand to \$500 thousand with funds awarded to 23 States, the District of Columbia, and Puerto Rico.

(6) An increase of \$5,000,000 for Tribal College Grants (\$5,000,000 available in 2022).

The CF Tribal College Grants Program provides funding to 1994 Land Grant Institutions (Tribal Colleges) to purchase equipment and make capital improvements to educational facilities. Eligible projects include, but are not limited to schools, libraries, dorms, education equipment, and vehicles. Tribal colleges and universities maintain, preserve, and restore Native languages and cultural traditions, offer a high-quality college education, and provide career and technical education, job training, and other career-building programs. An educated and skilled workforce is essential for attracting new business, quality jobs, and economic prosperity. Typically, the funding is used for classrooms, dormitories, libraries and other on-campus education facilities and equipment. The cost of facilities and equipment associated with STEM (Science, Technology, Engineering, and Math) education; including chemistry labs, computer aided design equipment, and 3-D printers; is usually significantly higher than other educational facilities.

The Tribal College Grant Program, during a typical fiscal year, fully obligates 100 percent of the appropriated funding. In 2021, RHS obligated \$5 million. The funding provided 29 grants to 1994 Land Grant Tribal colleges in 12 states, and the average grant amount was \$172,609. These grants supported high-quality education, career-building opportunities, and expansion of STEM education opportunities in Tribal colleges and universities. Seven grants were awarded to tribal colleges and universities in Montana; four in North Dakota; three in South Dakota; two each in Arizona, Michigan, Minnesota, Nebraska, New Mexico, and Wisconsin; and one each in Alaska, Oklahoma, and Washington. In 2021, grants went towards program categories that did not receive funding in 2020 such as Distance Learning, Cultural and Educational Related Services, and Commercial and Industrial Machinery and Equipment. The additional \$5 million will increase support for the expansion of STEM education and other career building opportunities. This funding can be used to improve infrastructure generally and specifically for tribal colleges was a top priority listed by tribal leaders. This program is oversubscribed and underfunded and is one of the few and more flexible resources for tribal colleges for Community Facility infrastructure.

(7) A decrease of \$6,000,000 for Economic Impact Initiative Grants (\$6,000,000 available in 2022).

This program was not requested in the 2022 budget and is not requested in the 2023 budget. Projects funded with this program can use the funding available in other Community Facilities loan and grant programs. In 2021, the agency obligated \$6.0 million towards 150 grants. Approximately \$1.2 million in funds went

towards Other Fire/Rescue & Public Safety Related Services, \$0.9 million towards police cars, and approximately \$0.4 million each for rescue and ambulance service equipment building and fire protection equipment. Beyond funds for public protection services, grant funds were obligated towards projects for elementary and secondary schools, child and youth services, and child day care services.

(8) A decrease of \$2,000,000 for Community Facilities Hospital Pilot Project (\$2,000,000 available in 2022).

This program was not requested in the 2022 budget and is not requested in the 2023 budget. The Agency obligated the full \$2 million in 2021 to one entity. This type of assistance can be provided by the increase in Community facilities grants.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RHS-57. Community Facilities Direct Loans Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Enacted	2022 Estimated	2023 Estimated
Alabama	\$15,593	\$3,360	-	-
Arizona	3,433	3,292	-	-
Arkansas	600	-	-	-
California	1,241	26,176	-	-
Colorado	19,424	15,138	-	-
Connecticut	40	-	-	-
Delaware	5,940	-	-	-
Florida	5,361	1,271	-	-
Georgia	13,850	17,084	-	-
Idaho	8,633	2,065	-	-
Illinois	5,510	78,789	-	-
Indiana	1,645	12,300	-	-
Iowa	88,899	70,226	-	-
Kansas	58,211	23,865	-	-
Kentucky	30,261	602	-	-
Louisiana	85,222	13,170	-	-
Maine	6,038	4,130	-	-
Massachusetts	-	6,665	-	-
Michigan	20,070	51,278	-	-
Minnesota	71,822	52,569	-	-
Mississippi	7,008	-	-	-
Missouri	5,262	1,606	-	-
Montana	44	466	-	-
Nebraska	11,649	32,287	-	-
Nevada	2,060	9,361	-	-
New Hampshire	27,403	1,995	-	-
New Jersey	20	114,568	-	-
New Mexico	-	147	-	-
New York	10,030	67,415	-	-
North Carolina	114,588	59,733	-	-
North Dakota	122,929	27,032	-	-
Ohio	20,937	46,338	-	-
Oklahoma	189	-	-	-
Oregon	5,500	-	-	-
Pennsylvania	66,901	16,085	-	-
Puerto Rico	-	4,161	-	-
South Carolina	44,720	65,723	-	-
South Dakota	31,882	380	-	-
Tennessee	148,771	77,495	-	-

State/Territory/Country	2020 Actual	2021 Enacted	2022 Estimated	2023 Estimated
Texas	5,781	3,367	-	-
Utah	9,675	44,142	-	-
Vermont	65,497	6,010	-	-
Virginia	5,783	15,398	-	-
Washington	36,710	166,905	-	-
West Virginia	5,883	8,100	-	-
Western Pacific	21,700	2,665	-	-
Wisconsin	34,242	2,767	-	-
Wyoming	20,183	2,354	-	-
Distribution Unknown	-	-	\$1,684,000	\$1,648,000
Obligations	1,267,840	1,158,479	1,684,000	1,648,000

Table RHS-58. Community Facilities Guaranteed Loans Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	-	\$71,185	-	-
Arizona	-	4,563	-	-
California	\$1,215	3,478	-	-
Colorado	3,657	3,590	-	-
Florida	6,092	14,151	-	-
Hawaii	1,775	-	-	-
Illinois	-	24,175	-	-
Iowa	1,000	1,968	-	-
Kansas	13,384	-	-	-
Kentucky	4,750	-	-	-
Louisiana	8,005	1,500	-	-
Maine	3,400	-	-	-
Michigan	1,800	-	-	-
Minnesota	3,000	3,443	-	-
New Jersey	-	10,277	-	-
New York	-	20,107	-	-
North Carolina	9,647	2,461	-	-
North Dakota	21,000	6,000	-	-
Oklahoma	290	-	-	-
South Carolina	1,521	17,009	-	-
South Dakota	7,518	-	-	-
Texas	1,640	11,615	-	-
Utah	3,224	6,682	-	-
Washington	-	40,145	-	-
Wisconsin	7,800	-	-	-
Distribution Unknown	-	-	\$153,100	\$155,517
Obligations	100,718	242,349	153,100	155,517

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

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$730	\$412	-	-
Alaska	151	71	-	-
Arizona	498	470	-	-
Arkansas	1,755	914	-	-
California	1,323	1,584	-	-
Colorado	517	301	-	-
Connecticut	100	147	-	-
Delaware	190	114	-	-
Florida	969	953	-	-
Georgia	958	1,301	-	-
Hawaii	62	-	-	-
Idaho	102	64	-	-
Illinois	354	721	-	-
Indiana	557	556	-	-
Iowa	474	480	-	-
Kansas	604	279	-	-
Kentucky	1,046	819	-	-
Louisiana	564	-	-	-
Maine	450	330	-	-
Maryland	265	292	-	-
Massachusetts	214	220	-	-
Michigan	1,359	1,425	-	-
Minnesota	636	457	-	-
Mississippi	1,500	768	-	-
Missouri	794	700	-	-
Montana	291	214	-	-
Nebraska	213	246	-	-
Nevada	247	181	-	-
New Hampshire	354	301	-	-
New Jersey	314	220	-	-
New Mexico	473	448	-	-
New York	879	856	-	-
North Carolina	1,252	1,500	-	-
North Dakota	365	270	-	-
Ohio	1,002	110	-	-
Oklahoma	1,917	1,017	-	-
Oregon	367	161	-	-
Pennsylvania	1,110	1,552	-	-
Puerto Rico	50	-	-	-
Rhode Island	145	474	-	-
South Carolina	2,511	2,310	-	-
South Dakota	413	10	-	-
Tennessee	1,185	841	-	-
Texas	1,046	1,520	-	-
Utah	191	175	-	-
Vermont	774	652	-	-
Virginia	1,214	1,742	-	-
Washington	543	303	-	-
West Virginia	583	480	-	-
West Pacific	50	-	-	-
Wisconsin	666	724	-	-
Wyoming	48	139	-	-
Distribution Unknown	-	-	\$32,000	\$52,000
Obligations	34,372	29,821	32,000	52,000

Table RHS-60. Rural Community Development Initiative Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	-	\$193	-	-
Alaska	-	122	-	-
Arkansas	-	250	-	-
California	\$500	500	-	-
Colorado	725	-	-	-
Delaware	210	-	-	-
Georgia	224	249	-	-
Hawaii	368	-	-	-
Idaho	131	-	-	-
Indiana	-	185	-	-
Iowa	142	150	-	-
Kentucky	180	50	-	-
Maine	-	194	-	-
Maryland	50	663	-	-
Massachusetts	671	250	-	-
Minnesota	250	160	-	-
Montana	240	186	-	-
Nebraska	165	-	-	-
New Hampshire	125	192	-	-
New Mexico	220	-	-	-
New York	-	485	-	-
North Carolina	250	-	-	-
Ohio	250	250	-	-
Oklahoma	303	125	-	-
Oregon	250	-	-	-
Pennsylvania	110	-	-	-
Puerto Rico	-	90	-	-
South Dakota	-	410	-	-
Tennessee	250	250	-	-
Texas	608	-	-	-
Utah	-	250	-	-
Vermont	-	250	-	-
Virginia	100	180	-	-
Washington	182	100	-	-
Distribution Unknown	-	-	\$6,000	\$12,000
Obligations	6,504	5,733	6,000	12,000

Table RHS-61. Economic Impact Initiative Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alaska	-	\$22	-	-
Arizona	\$107	100	-	-
Arkansas	144	387	-	-
California	415	917	-	-
Colorado	-	80	-	-
Florida	177	-	-	-
Georgia	213	163	-	-
Illinois	-	105	-	-
Iowa	825	408	-	-
Kentucky	166	157	-	-

State/Territory/Country	2020	2021	2022	2023
	Actual	Actual	Estimated	Estimated
Louisiana	131	97	-	-
Maine	92	86	-	-
Maryland	80	80	-	-
Michigan	237	391	-	-
Minnesota	116	109	-	-
Mississippi	145	137	-	-
Missouri	151	143	-	-
Montana	-	44	-	-
Nebraska	79	73	-	-
Nevada	70	41	-	-
New Hampshire	76	71	-	-
New Jersey	69	69	-	-
New Mexico	86	68	-	-
New York	164	155	-	-
North Carolina	213	203	-	-
North Dakota	68	63	-	-
Ohio	182	100	-	-
Oklahoma	548	111	-	-
Oregon	66	58	-	-
Pennsylvania	183	886	-	-
South Carolina	154	153	-	-
South Dakota	94	-	-	-
Tennessee	179	170	-	-
Texas	67	-	-	-
Utah	-	7	-	-
Vermont	72	66	-	-
Virginia	169	245	-	-
Washington	-	105	-	-
West Virginia	112	-	-	-
Western Pacific	36	50	-	-
Distribution Unknown		-	\$5,700	-
Obligations	5,686	6,017	5,700	-

Table RHS-62. Tribal College Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020	2021	2022	2023
	Actual	Actual	Estimated	Estimated
Alaska	\$181	\$175	-	-
Arizona	362	327	-	-
Michigan	161	351	-	-
Minnesota	404	351	-	-
Montana	1,169	1,228	-	-
Nebraska	363	307	-	-
New Mexico	363	351	-	-
North Dakota	907	702	-	-
Oklahoma	181	175	-	-
South Dakota	543	511	-	-
Washington	181	175	-	-
Wisconsin	363	351	-	-
Distribution Unknown	-	-	\$5,000	\$10,000
Obligations	5,178	5,006	5,000	10,000

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

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	\$697	\$1,722	-	-
Arizona	295	345	-	-
Arkansas	1,108	991	-	-
California	5,608	2,907	-	-
Colorado	-	749	-	-
Florida	1,186	2,750	-	-
Georgia	1,377	1,885	-	-
Hawaii	-	200	-	-
Idaho	-	90	-	-
Illinois	1,074	1,983	-	-
Indiana	478	582	-	-
Iowa	1,235	8,145	-	-
Kansas	360	1,744	-	-
Kentucky	2,718	2,914	-	-
Louisiana	97	0	-	-
Maryland	500	957	-	-
Massachusetts	-	1,031	-	-
Michigan	1,445	397	-	-
Minnesota	1,464	1,821	-	-
Mississippi	1,549	1,482	-	-
Missouri	4,625	2,458	-	-
Montana	-	238	-	-
Nebraska	787	2,100	-	-
New Hampshire	544	1,401	-	-
New Jersey	474	-	-	-
New York	149	2,291	-	-
North Carolina	8,368	4,503	-	-
North Dakota	167	551	-	-
Ohio	3,167	1,196	-	-
Oklahoma	6,892	1,839	-	-
Oregon	1,274	196	-	-
Pennsylvania	2,481	396	-	-
South Carolina	249	4,300	-	-
South Dakota	475	284	-	-
Tennessee	3,096	4,476	-	-
Texas	16	778	-	-
Vermont	1,340	507	-	-
Virginia	952	4,013	-	-
Washington	573	663	-	-
West Virginia	135	544	-	-
Western Pacific	75	383	-	-
Wisconsin	2,450	2,587	-	-
Obligations	59,480	68,396	-	-

Table RHS-64. Community Facilities Technical and Training (TAT) Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Arizona	151	-	-	-
Arkansas	150	150	-	-
Colorado	148	-	-	-
Georgia	-	150	-	-
Illinois	150	-	-	-
Louisiana	-	81	-	-
Iowa	150	150	-	-
Kentucky	54	-	-	-
Maine	-	50	-	-
Maryland	150	214	-	-
Montana	-	50	-	-
New Hampshire	110	-	-	-
Oklahoma	87	164	-	-
South Carolina	-	50	-	-
Tennessee	-	150	-	-
Vermont	150	150	-	-
Virginia	150	-	-	-
Washington	50	-	-	-
West Virginia	-	141	-	-
Obligations	1,500	1,500	-	-

Table RHS-65. Community Facilities Modification Cost Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama		\$22,228	-	-
Distribution Unknown	-	-	\$25,000	-
Obligations	-	22,228	25,000	-

Table RHS-66. Rural Hospital Pilot Program Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Maryland	\$1,000	\$2,000	-	-
Distribution Unknown	-	-	\$2,000	-
Obligations	1,000	2,000	2,000	-

Table RHS-67. American Rescue Act Administrative Expenses Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
District of Columbia	-	\$25,000	-	-
Obligations	-	25,000	-	-

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

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	-	-	\$175,000	\$300,000
Obligations	-	-	175,000	300,000

*This table represents American Rescue Act Grants

Table RHS-69. Administrative Expenses: Economic Impact Initiative Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown	\$589	\$300	\$300	-
Obligations	589	300	300	-

Table RHS-70. Direct Community Facility Variable Rate Loans Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama	-	\$309,145	-	-
Obligations	-	309,145	-	-

CLASSIFICATION BY OBJECTS (DISCRETIONARY)

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

Item No.	Item (Discretionary)	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions	\$114,308	\$166,000	\$76,000	\$74,000
99.9	Total, new obligations	114,308	166,000	76,000	74,000

CLASSIFICATION BY OBJECTS (MANDATORY)

Table RHS-72. Classification by Objects (thousands of dollars)

Item No.	Item (Mandatory)	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions	-	\$25,000	\$175,000	\$300,000
99.9	Total, new obligations	-	25,000	175,000	300,000

STATUS OF PROGRAMS

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

Single-Family Housing (SFH) Programs

The RHS operates/administers a number of Single-Family Housing (SFH) programs that provide loans, grants, and guarantees to finance the construction, purchase, and repair of single family homes that enable very low-, low-, and moderate-income individuals and families to live in decent, safe, sanitary, and affordable housing. In FY 2021, RHS obligated 135,181 SFH loans, grants, and guarantees totaling \$24.02 billion, as detailed in the following sections.

The foreclosure and eviction moratorium announced by USDA, the Single-Family Housing Direct Loan Program (SFHDLP), and the Single-Family Housing Guaranteed Loan Program (SFHGLP) on August 28, 2020, was subsequently extended until July 31, 2021. Beyond July 31, 2021, USDA continues to support homeowners experiencing financial hardship due to the pandemic by making loss mitigation options available to help keep them in their homes. RHS recognizes that the COVID-19 pandemic has triggered an almost unprecedented housing affordability crisis in the United States.

The American Rescue Plan Act of 2021 (ARPA) provided \$39 million in budget authority through September 2023 to help refinance direct loans under the Single-Family Housing Loan Program and the Single-Family Housing Repair Loans and Grants. SFH is expecting to obligate most of the funding in the next coming fiscal year.

Single-Family Housing Direct Loan Program (SFHDP)

Under this program, 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 applicant’s income. Applicants may obtain 100 percent financing and loans are for up to 33 years (38 years for those with incomes below 60 percent of the area median household income). Interest rates are determined so that a family pays from 22 to 26 percent of their income for principal, interest, taxes, and insurance. To make loans more affordable, RD funding can be combined/leveraged with other programs such as:

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

Fiscal Year 2021 data and demographics for the SFHDP:

- **Total Obligations:** RHS obligated 5,355 SFHD Loans totaling \$1.0 billion.
- **Borrower Income Eligibility:** Total obligations include \$363.3 million that was obligated to very low-income borrowers, and \$636.9 million was obligated to low-income borrowers. Also, included in total obligations was \$7.8 million for Colonias.
- **Race:** Composition of SFHDP borrowers was 74 percent white and 26 percent other ethnicities.

Current Activities: COVID-Related:

- The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides a mortgage payment forbearance option for all borrowers who, directly or indirectly, suffer a financial hardship due to novel coronavirus (COVID-19). On September 27, 2021, the Agency announced the removal of the September 30, 2021, deadline for COVID-19 affected Direct Loan borrowers to request mortgage payment assistance. Instead, Direct Loan Borrowers may request assistance until the end of the National Emergency is declared.
- The ARPA funds for this program have a primary focus of helping existing SFHDP borrowers, who have been approved for COVID-19-related payment moratoriums, refinance their mortgages. The goal for these funds is to help ensure USDA borrowers’ payments stay affordable once the moratorium period ends.

Single-Family Housing Guaranteed Loan Program (SFHGP)

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

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

Fiscal Year 2021 data and demographics for SFHGP:

- Total Obligations: The total 2021 number of SFHGP loans and obligations were as follows:
 - Fee Purchase loans: 117,712 loans with total obligations of approximately \$21.1 billion.
 - Fee Refinanced loans: 9,677 loans with total obligations of approximately \$1.7 billion.
 - Total SFHG loans combined: 127,389 loans with total obligations of \$22.7 billion.
- Initially the Agency requested and received an additional \$6 billion in loan level (from \$24 billion to \$30 billion) for the SFHGLP based on the Q1 and Q2 obligation rates; however, the change in housing market conditions in Q3 and Q4 slowed obligation rates considerably. Nevertheless, the total SFHGLP obligations in 2021 were the second-highest obligation funding amount in program history.
- Income: 2021 data indicate the following:
 - Fee Purchase Loans: moderate-income total obligations of ~\$16.2 billion; low-income total obligations of ~\$4.8 billion.
 - Fee Refinanced Loans: moderate-income obligations of ~\$1.3 billion; low-income obligations of ~\$0.3 billion.
- Race: 2021 data indicate the following:
 - Fee Purchase Loans: 85.5 percent white; 14.5 percent non-white.
 - Fee Refinanced Loans: 91.3 percent white; 8.7 percent non-white.

Current Activities: Regulatory-Related:

Proposed Rule: On June 9, 2021, RHS published a Proposed Rule titled, “Single Family Housing Guaranteed Loan Program” (7 CFR 3555). The proposed rule changes will strengthen underwriting practices and promote an efficient and robust management and oversight structure of lenders in the SFHGLP. The update includes requirements for Federally supervised lenders, minimum net worth and experience for non-supervised lenders, approved lender participation requirements, treatment of applicants with delinquent child support payments, and builder credit requirements. The comment period for this Proposed Rule closed on August 9, 2021, and the agency is in the process of reviewing comments.

FY 2021 data for all other Single Family Housing Programs is provided in the table below:

Program	Total Obligated (Dollars in Million)	Total No. Loans or Grants
Sec. 509 Compensation for Construction Defects	\$.05	3
Sec. 502 Credit Sales of Acquired Property SFHD	.2	2
Sec. 504 Housing Repair Grants	24.6	3,709
Sec. 504 Housing Repair Loans	14.8	2,289
Sec. 523 Mutual and Self-Help Housing Grants	31.9	52
Sec. 533 SFHD Grant Funds	13.7	117
Protecting Animals with Shelter Grants	2.4	5
TOTAL	87.7	6,177

The challenges presented by the pandemic (availability of contractors, interest in applying for home repairs given the pandemic, etc.) had some impact on the decrease in obligations between 2020 and 2021 for Sec 504 Housing Repair loans and grants.

Multi-Family Housing Programs

The RHS operates/administers the Multi-Family Housing (MFH) programs that provide loans, grants, and loan guarantees to eligible applicants to finance the preservation/revitalization, development, construction, and purchase of MFH properties in rural areas for purposes of enabling very low-, low-, and moderate-income individuals and families to live in decent, safe, sanitary, and affordable housing. In 2021, nine MFH programs obligated funding totaling \$355.7 million and provided 7,466 loans as detailed in the following sections.

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

The 2021 program accomplishments include obligations of 96 loans totaling \$230 million. To increase program utilization, the RHS began collaborating with State Housing Finance Agencies to encourage expanded rural eligibility for Low Income Housing Tax Credit allocations, which are a key driver for equity investment in the Section 538 program.

Rental Assistance

To maintain section 515 rural rental housing and section 514 farm labor housing loan portfolios, MFH obligated over \$1.51 billion in rental assistance. This program provided assistance to 284,194 tenants. This rental subsidy maintains housing affordability for tenants, ensuring that rents do not exceed 30 percent of income. In addition to increasing household security, this assistance enables greater property and community stability in rural areas throughout the country. Rental Assistance (RA) funding was used as follows: Elderly properties, 29 percent; family properties, 67 percent; and labor housing, 4 percent. The average household income of tenants in 2021 was \$14,589; the average income of households receiving RA was \$12,449. The race/ethnicity is broken down as follows:

- White, Non-Hispanic, 64.69 percent;
- Black, Non-Hispanic, 20.30 percent;
- Asian, Hispanic/Latino, 11.91 percent;
- American Indian/Alaskan Native, 1.64 percent;
- Pacific Islander, 0.70 percent; and
- Non-Designated/Multiple, 0.76 percent.

Another notable fact is that 64 percent of the portfolio is occupied by tenants where the head of household is elderly or disabled. Additionally, the ARPA of 2021 provided \$100 million through September 2022 in RA for low-income and elderly tenants.

As with the SFHGP and SFHDP programs, the eviction and foreclosure moratorium for affected multi-family housing residents was extended through July 31, 2021. However, beyond that date USDA will continue to offer emergency assistance to USDA multi-family housing property owners and tenants who are experiencing financial hardship due to the pandemic. This halt in residential evictions allowed the Agency to extend relief to the tens-of-thousands of Americans who rely on USDA-supported multifamily housing communities.

Current Activities:

The RHS is in the process of updating current regulations to include updated Violence Against Women Reauthorization Act (VAWA) policies. The updates were incorporated in a proposed rule that was published in the Federal Register on September 23, 2020, (85 FR 59682) and is working to publish a Final Rule after addressing the comments received. In the interim, the Agency provided internal guidance via an Unnumbered Letter (UL); these updates apply to Section 515 Rural Rental Housing, Section 514/516 Farm Labor Housing, Section 538 Guaranteed Rural Rental Housing, and Section 533 Housing Preservation Grant programs.

The following table provides financial data for all MFH programs:

Program	Total Obligated (Dollars in Million)	Total No. Loans or Grants
Sec. 514 Direct Farm Labor Housing Loans	\$3.1	2
Sec. 515 Rural Rental Housing (RRH) New Construction Loans	37.4	44
Sec. 515 RRH Rehab and Repair Loans (Persistent Poverty)	1.1	3
Sec. 516 Farm Labor Housing Grants	1.6	1
Sec. 515 MFH Revitalization and Preservation Grants	0.4	3
Sec. 515 MFH Revitalization and Preservation Loans	47.5	56
Rural Housing Voucher Grants	34.6	7,261
Rental Assistance	1,510.0	16,217
TOTAL	\$1,635.7	23,587

Community Facilities Programs

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

These loans and grants help ensure that rural areas enjoy the same basic quality of life and services as residents of urban areas. In 2021, 17 CF programs obligated 1,672 grants totaling \$118.5 million, and 525 loans totaling ~\$1.71 billion, as detailed in the following sections. Approximately 14 percent of these loans/grants were made in distressed communities identified as having persistent poverty, low employment, and high population loss.

The following table provides financial data for CF Grant Funding:

Program	Total Obligations (Dollars in Millions)	Total No. CF Grants
Community Facility 2019 Disaster Grants	\$68.5	742
Community Facility Grants	23.7	563
Rural Community Development Initiative Grants	5.7	32
Economic Impact Initiative Grants	6.0	150
Community Facility Native American Tribes Grants	5.0	29
Community Facility Persistent Poverty Grants	5.1	120
Essential CF Technical Assistance and Training Grants	1.5	14
Community Facility Rural Hospital Pilot Program Grants	2.0	1
CF Grants – SECD	0.4	11
Community Facility EZ/EC Grants	0.6	10
TOTAL	118.5	1,672

The following table provides financial data for CF Loan Funding:

Program	Total Obligations (Dollars in Millions)	Total No. CF Loans
Direct Community Facility Loans	\$1,122.5	435
Direct Community Facility Loans - Persistent Poverty	18.3	17
Direct Community Facility Loans – SECD	17.7	4
Direct Community Facility Variable Rate Loans	309.1	41
Guaranteed Community Facility Loans	242.3	28
TOTAL	1,709.9	525

The ARPA of 2021 included up to \$500 million in Community Facility Program funds to help rural hospitals and local communities address needs related to the COVID-19 pandemic such as broadening access to COVID-19 vaccines and providing medical supplies to increase medical surge capacity. The Community Facility ARPA for Rural Health Care Facilities NOFA was published August 12, 2021, with an initial application window of 60 days; no obligations occurred in FY 2021.

Current Activities/Progress:

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

USDA announced an investment of \$266 million in March 2021 to build and improve critical community facilities to benefit nearly three million rural residents in 16 states and Puerto Rico. This funding includes \$156 million to support health-care-related improvements and emergency response services that will benefit nearly one million rural residents in nine states and Puerto Rico. The assistance will fund a variety of essential community services, including emergency response vehicles and equipment. As an example, the North Olympic Healthcare Network in Washington will use a \$4 million loan to purchase the building it currently leases to provide community health services. Ownership of the building will enable the network to lower costs and provide more services to its clients, most of whom are low-income or lack health insurance. This project will benefit more than 19,000 rural residents.

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

In October 2020, USDA announced an investment of \$871 million across 256 projects to benefit 3.5 million rural residents in 43 States and Guam. Some of the projects included in this effort are as follows:

The East Baton Rouge Parish, Louisiana, Hospital Service District 1 received a \$61 million loan to renovate 37,000 square feet of the hospital and add an 82,000 square-foot four-story medical tower. The addition will include 48 acute patient care rooms, surgical and intensive care units, nurse’s stations, and administrative areas; the expanded facility will provide a variety of specialized care to better serve the community.

The Bay Mills Indian Community in Michigan will use a \$6 million loan to construct a 34,000 square-foot medical office building in the Eastern Upper Peninsula in Chippewa County. The Bay Mills Indian Community Reservation is located in a federally-designated Medically Underserved Area and a Health Professional Shortage Area for primary care, dental and mental health. More than 20 percent of the community’s residents are people with disabilities. This investment will help provide medical, dental, pharmacy, lab, imaging, behavioral health, optical, community health and traditional healing services.

Helping Communities with Long-Term Recovery from Natural Disasters (Hurricanes, Floods, and Tornadoes)

USDA is investing in 233 projects and of these, CF provided 74 awards, totaling \$4 million. An example project from this portfolio is the Potters Hill Volunteer Fire Department in North Carolina, which is receiving a \$375,000 disaster grant and a \$795,000 direct loan to replace three, high-mileage, unreliable fire trucks. The new trucks will provide essential fire protection and emergency services primarily for rural residents and businesses in Duplin County, an area that sustained considerable damage from both Hurricane Matthew in 2016 and Hurricane Florence in 2018.

Rural Hospital Technical Assistance Cooperative Agreement:

In September 2021, CF successfully obligated \$2 million in appropriated funds for the existing cooperative agreement with National Rural Health Association (NRHA) to provide necessary technical assistance to strengthen

rural hospitals to support the healthcare needs of rural communities. This brings the total cooperative agreement funding to \$3 million to be used by September 30, 2023. This agreement implements Section 753 from the FY 2020 Appropriations Bill, which provided an initial \$1,000,000 for a pilot technical assistance program to assist rural hospitals to improve long-term operations and financial health. NRHA contracted with three financial/accounting firms to provide the assistance.

In outreach to RD State Offices, CF identified an initial priority list of 32 hospitals. With the additional funding added to the agreement, NRHA and CF will collaborate with RD State Offices to identify other potential hospitals for assistance. To date, CF was able to provide recommendations to improve financial and operational efficiencies to four rural hospitals

Rural Community Development Initiative RCDI:

RCDI provides funding to help non-profit housing and community development organizations, low-income rural communities and federally recognized tribes support housing, community facilities, and community economic development projects in rural areas.

Grant funds may be used for but are not limited to (a) training recipients to conduct a program on home-ownership education; (b) training recipients to conduct a program for minority business entrepreneurs; (c) providing technical assistance to recipients on how to effectively prepare a strategic plan; (d) provide technical assistance to recipients on how to access alternative funding sources; (e) building organizational capacity through board training; (f) developing training tools, such as videos, workbooks, and reference guides to be used by the recipient; (g) providing technical assistance and training on how to develop successful childcare facilities; and (h) providing training on effective fundraising techniques., community facilities, and community economic development projects in rural areas.

The FY 2021 NOSA was published on January 11, 2021. In 2021, priority was given to applications that supported the Agency’s goal to reduce morbidity and mortality associated with substance use disorder (including opioid misuse) in high-risk rural communities. In 2021, 32 RCDI grants totaling \$5.7 million were awarded.

Knoxville Leadership Foundation (KLF) received a \$250,000 RCDI grant for the “Capacity building to fight substance misuse in East Tennessee” project, that focused on ten rural substance abuse programs over two years. KLF will strengthen the ability of recipients to understand and address substance use disorder and continuing issues related to the COVID-19 pandemic, in addition to addressing capacity-building areas such as leadership, program development, sustainability, and community engagement. Implementation will include assessment of recipients, creation of organizational improvement plans, work with consultants to address specific priorities, attendance at group training sessions that focus on substance use disorder (opioids) and COVID-19, coaching by KLF staff, and final assessments.