

## Fast Facts!

### *Preserving the Definition of “Rural”*

Without Congressional action, 923 rural communities will no longer be eligible for funding under critical Department of Agriculture (USDA) Rural Development programs after October 1, 2012. These communities will be cut off from what is often their *only* source of federal housing funding.

#### Defining “Rural”

- ❖ By October 1, 2012, USDA must revise its definition of “rural” under Section 520 of the Housing Act of 1949. At that time, an existing grandfathering clause—first enacted in 1990 and extended by Congress in 2000--will expire.
  - This grandfathering clause allowed any community that was “rural” in 1990 to continue to be eligible for USDA Rural Development funding until the 2010 Census, so long as it has a population below 25,000.
- ❖ When the grandfather clause expires, rural communities must fall within the original—and very restrictive—definition.
  - Only communities (1) with a population less than 10,000, or (2) those with less than 20,000 that are *not* located in a metropolitan statistical area (MSA) will be eligible.
  - With 1/2 of the entire rural population living in an MSA, and because the 20,000 population limit is far too restrictive, this will have a significant impact on the lives of rural families.

#### What does Rep. Fortenberry’s Amendment do?

- ❖ Rep. Jeff Fortenberry (R-NE) is sponsoring an amendment to the House Agriculture Appropriations bill to preserve the definition of “rural” under current law—with the existing grandfathering clause— for one year.
  - There is strong precedent for preserving current law; over the past several decades, Congress has “grandfathered” communities on the cusp of the rural definition.
  - Extending the current rural definition has absolutely no impact on the federal deficit. H.R. 273 only guarantees *eligibility* for UDSA Rural Development programs, not funding. As such, these communities must continue to apply for funding on a competitive basis.

#### **Learn more about how the “rural” definition will impact your community.**

The National Rural Housing Coalition is national member organization of community groups, public officials, and non-profit developers who believe that rural people have the right, regardless of income, to decent, affordable housing, clean drinking water, and basic community services.