



NATIONAL RURAL HOUSING COALITION

Fast Facts!

Section 515: Ensuring Affordable Rental Housing in Rural America

Over the past 50 years, Section 515 has improved the quality of affordable rental housing, serving rural America's most vulnerable residents—including seniors, low-income families, and persons with disabilities. If approved by Congress, the President's budget would fund the program at \$33.074 million, up slightly more than four million from the FY16 enacted level, but still well below the funding levels of previous years (such as \$69.5 million in FY2010). With the number of 515 mortgages maturing expected to vastly increase over the next 8 years, it is very important to support this program!

What it is:

- ◆ Section 515 is the principal source of financing for rental housing in rural communities. Today, more than 400,000 rural families live in housing financed by Section 515.

⇒ Under the program, housing developers – mostly for-profit entities – compete for 30-year loans at a 1 percent interest rate for the acquisition, rehabilitation or construction of rental housing and related facilities.

Why it Matters:

- ◆ Rental units developed with Section 515 loans are exclusively targeted to very low-, low-, and moderate-income families, the elderly, and persons with disabilities.

A vast majority – 94 percent – of Section 515 tenants have very-low incomes. The average yearly income is only \$11,628. Some 61 percent these households are elderly or disabled, 30.4 percent are headed by persons of color, and 72 percent are headed by women.

- ◆ There is a maturing mortgage crisis for Section 515 financed properties.
 - ⇒ By 2024, 11,500 properties financed through Section 515 are expected to mature, and by 2023, 330,000 out of 440,000 RD multifamily units will be paid off, and will require refinancing to maintain their affordability.
- ◆ Because the Section 515 Loan Program can be combined with other rental subsidy programs, rents are more affordable, averaging around \$325 per unit per month, but more than 56,000 Section 515 renters do not receive much-needed rental assistance.
- ◆ Demand for affordable, rural rental housing continues to outpace supply. Rural renters are 3.4 times more likely to live in poverty than rural homeowners and 18 percent more likely to live in poverty than renters nationally.
- ◆ Section 515 plays an important role in attracting other housing resources to rural America, including the Low Income Housing Tax Credit (LIHTC). As funding for Section 515 has been cut, however, rural communities find it more difficult to attract LIHTCs. Today, less than 7.5 percent of affordable housing units financed by LIHTC are in rural communities.

Section 515 Rental Housing Loans

FY16 Final:	\$28.4 M
FY17 Budget Request:	\$33.074 M
FY17 House:	\$35 M
FY17 Senate:	\$40 M

Learn more about how the FY 2017 budget impacts rural communities by reviewing NRHC's other Fast Fact Sheets!

The National Rural Housing Coalition (NRHC) 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.

Contact Us

National Rural Housing Coalition
1331 G Street, N.W., 10th Floor
Washington, DC 20005
Phone: (202)393-5225
Fax (202)393-3034
<http://ruralhousingcoalition.org>