

NATIONAL RURAL HOUSING COALITION

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Dear NRHC Member,

Here's an update on Fiscal Year 2025 rural housing appropriations.

This week, the House and Senate Appropriations Committees reported the Fiscal Year 2025 (FY25) Agriculture Appropriations Bill to the floor. The House Appropriations Committee adhered to the domestic discretionary spending level set in the Fiscal Responsibility Act (FRA) of \$710 billion, about \$60 billion below the Fiscal Year 2024 (FY 24) enacted levels. In contrast, the Senate Appropriations Committee tentatively agreed to increase domestic spending by \$13 billion above FY 24.

This has led to a notable difference in the allocation to the Senate's Agriculture bill, which stands at \$27.079 billion, compared to the House's allocation of \$25.875 billion.

FY 25 budget authority for rural housing loan programs increased from \$152 million in FY 24 to \$171.4 million in the House bill and \$203 million in the Senate. The Senate bill did better on most rural housing programs, but both bills fell far short of the USDA budget request. The FY 25 budget proposed a direct loan program level of \$1.8 billion. The House bill authorizes \$1.053 billion, and the Senate provides \$1.142 billion. The FY 24 level was \$1.005 billion. The program level for Section 502 loans increased from \$880 million in FY 24 to \$950 million in the House and \$1 billion in the Senate. Neither bill included changes to direct loan interest rates.

The Senate bill comes in higher than the House but well below the USDA budget on rural housing grant programs, including Secs. 504, 514, 523, and 533. The appropriations for rental assistance and rural housing vouchers are above the current rate and in line with the budget request. (See the table below.)

Both bills include legislative language limiting the decoupling of rental assistance from maturing rental housing loans to 1000 units.

The House bill also includes a provision prohibiting the use of appropriated funds to update USDA energy efficiency standards for new housing proposed in an April 26, 2024, rule. <https://www.federalregister.gov/agencies/housing-and-urban-development-department>

Other points of interest:

House Report

Rural Housing Preservation.--The Committee appreciates RD efforts to ensure Section 515 and Section 514 properties with maturing mortgages or owners pre-paying their mortgage remain affordable. The Committee encourages RD to take additional steps to streamline the approach to housing preservation and affordability, including working closely with nonprofits and local housing authority buyers committed to preservation and affordability. The Committee recognizes the urgent need to preserve rural affordable housing units. To assist the facilitation of transfers, the Committee encourages USDA to prioritize no more than fifty percent of Section 515 and Section 514 funds for use by public bodies or non-profit organizations or their affiliates (any limited partnership in which the general partner is a nonprofit entity with a principal purpose of providing affordable housing) to acquire and rehabilitate properties financed under sections 514 and 515 to retain long-term use by eligible households.

Senate Report

Decoupling of Rental Assistance.--The Committee continues to provide authority for the Department to decouple the rental assistance program from Section 515 direct loans. The Committee reminds the Department that this strategy should only be used when all other methods of preservation are exhausted and directs the Department to continue to provide the Committee with monthly updates on the implementation of this policy. Additionally, the Committee provides \$1,000,000 for the Department to make the necessary information technology upgrades to facilitate its decoupling efforts. Multifamily Housing Preservation Strategy.--The Committee directs the Department to consider all preservation tools at its disposal and to develop a report within 6 months of enactment of this act with its multifamily housing preservation strategy including 91 goals, objectives, timeline, resources required, and tools to be utilized. Rental Assistance Priority.--The Secretary is encouraged to prioritize multi-family housing properties acquired by means of a section 515 loan within the current fiscal year when determining current rental assistance needs.

Farm Labor Housing.--The Committee urges the Rural Housing Service [RHS] to release farm labor housing funding announcements on an annual basis and expects RHS to increase consultation with stakeholders.

Link to the House Draft

Bill: <https://docs.house.gov/meetings/AP/AP00/20240710/117503/BILLS-118-FC-AP-FY2025-AP00-FY25AGFullCommitteeMark.pdf>

Link to the House Draft

Report: <https://docs.house.gov/meetings/AP/AP00/20240710/117503/HMKP-118-AP00-20240710-SD004.pdf>

Link to the Senate

bill: https://www.appropriations.senate.gov/imo/media/doc/fy25_ag-fda_bill.pdf

Link to the Senate

report: https://www.appropriations.senate.gov/imo/media/doc/fy25_ag-fda_report.pdf

What's Next?

The House Appropriations Committee has successfully reported all 12 bills under its jurisdiction to the floor. However, the Legislative Branch Appropriations bill, which is usually the easiest to pass, was defeated yesterday. As the House reconvenes after the Republican National Convention, it is clear that more challenges lie ahead in the passage of spending bills. The Senate, on the other hand, is determined to report all 12 bills to the floor by the August recess.

When the House and Senate return to Washington in September, passage of a Continuing Resolution through mid-November will be on the agenda. Final spending decisions may come in December or in the first quarter of 2025.



Robert A. Rapoza

**Agriculture Appropriations --
Selected Programs: FY 23, FY 24
Final; FY 25 Budget, House
Senate and Final -- \$ in millions**

Programs	FY 23 Final	FY24 Final	FY 25 Budget	FY 25 House	FY 25 Senate	FY 25 Final
502 Single Family Direct	\$1,250	\$880	\$1,250	\$950	\$1,000	
Relending demonstration	5.00	5.00	8.00	5.00	7.50	
502 Single Family Guaranteed	30,000	25,000	30,000	25,000	25,000	
504 Loans	28	25	28	18	25	
RHAG 504 grants/533	48	35/10	46/16	12/8	30/10	
514 Farm Labor Housing Loans	20	15	25	12.5	25	
516 Farm Labor Housing Grants	10	7.5	12	0	7.5	
515 Rural Rental Housing	70	60	70	48	65	
521 Rural Rental Assistance	1487	1608	1690	1648	1691	
523 Self-Help TA	32	25	32	20	25	
538 Rental Guaranteed	400	400	400	400	400	
Vouchers	48	48	\$39	54	50	
Multi-Family Restructuring (BA)	36	34	90	28	36	
Water-Wastewater Loans	1420	860	1350	860	860	
Water-Wastewater Grants	596	595	794	496	496	
Water-Wastewater Guarantee	50	50	50	50	50	
Solid Waste Grants	4	4	4	4	4	
Small Systems Revolver	1	1	1	1	1	
Intermediary Re-lending	19	10	19	9	10	
RCDI	6	5	6	4	5	
Notes:						
Water-Waste Water loans include \$10 million for 1 percent loans to low-income communities.						