FY 2026 Programmatic and Language Appropriations Request
Department of Agriculture
Rural Housing Service

Agriculture Appropriations
Rural Development
Rural Housing Service

Program: Rural Rental Housing Loans authorized under Section 515 of the Housing Act of 1949, as amended, and Multi-Family Preservation and Revitalization (MPR) Demonstration.

Request: Section 515: $75 million; MPR $36 million

1. **Bill Language**: $75,000,0000 for section 515 rental housing; $36,000,000, to remain available until expended, for the cost of direct loan and grants, including modifying loans as defined in Section 502 of the Congressional Budget Act of 1974 for a demonstration program for the preservation and revitalization of the sections 514, 515, and 516 multi-family rental housing properties to restructure existing USDA multi-family housing loans, as the Secretary deems appropriate, expressly to ensure 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 That the Secretary shall, as part of the preservation and revitalization agreement, obtain a restrictive use agreement consistent with the terms of the restructuring.

Justification for Request:

In many rural communities, the rental housing financed by USDA – mostly through its Section 515 Rural Rental Housing program – is the only affordable housing in town. According to a 2016 USDA report, the cost to preserve and maintain this portfolio of some 400,000 units over 20 years totals $5.6 billion. According to a recent report by the Housing Assistance Council, mortgage maturing projects between 2016-2027 total over seven hundred developments and close to 18,000 units per year. Over the next four to five years, maturities will accelerate, averaging up to 3,000 Section 515 developments and up to 92,000 units, continuing through 2050.[1] This will cause rent for thousands of families to increase dramatically when these units enter the private market.

Rural communities also need a more resources to preserve existing rental housing

[1] Housing Assistance Council, "Rental Housing for a 21st Century Rural America." September 2018. http://www.ruralhome.org/storage/documents/publications/rrreports/HAC_A_PLATFORM_FOR_PRESERVATION.pdf

developments as well as a new construction program. USDA long ago abandoned the Section 515 rural rental housing loan program for new construction. Without a new construction program, rural communities lack an important source of capital to finance housing and leverage other resources, most notably the Low-Income Housing Tax Credit (LIHTC). As section 515 financing for new construction dwindled and finally ended, LIHTC allocations to rural communities fell by two-thirds.[2]

Appropriations Status 515/MPR

FY 24/25 Final: $60 million/$34 million
FY 23 Final: $70 million/$36 million

[2] Rural America's Rental Crisis: http://ruralhousingcoalition.org/wp-content/uploads/2014/07/NRHC-Rural-America-Rental-Housing-Crisis_FINALV3.compressed.pdf