



Rural Housing Provisions in the Road to Housing

In the summer of 2026, Congress passed and the President signed the 21st Century Road to Housing Act. NRHC fought for several rural housing and rural development provisions. Below is a summary of the legislation.

Multi-family Housing

Key provisions. The legislation:

- Requires USDA to provide notice to owners -- 4 years and to tenants — 2 years -- in advance of maturing USDA multi-family loans, along with information on incentives and decoupling;
- Authorizes the Multi-Family Preservation and Revitalization (MPR), which is along the lines of the long-standing demonstration program that provides a range of assistance for USDA-financed rental housing developments;
- Authorizes Rental Assistance (RA) for restructured developments along with use restrictions for the term of the RA contract; the legislation also authorizes RA contracts of less than 20 years;
- Authorizes decoupling. Under current law, RA may be used only in conjunction with Section 514 or 515 loans. When the loan matures, the rental assistance ends. The bill establishes a policy to decouple RA from loans maturing within the same 4-year notice period. If USDA determines that the development cannot be restructured, it may offer continuation of RA and additional assistance in cases where not all tenants received it. Approval will be conditional on the owner's submission of a plan identifying financing sources and a schedule of necessary improvements to preserve the development;
- Authorizes grants to non-profit organizations to provide technical assistance for transfers of multi-family developments;
- Within 180 days of enactment, USDA is required to publish an advanced notice of rulemaking and consult with stakeholders and publish an interim final rule not later than 1 year from the date of enactment;

- Increases the Section 515 set-aside from 9 to 25 percent for non-profit organizations to finance project transfer; and
- Revises Rural Housing Vouchers to require USDA to issue regulations for adjusting voucher assistance and to make eligible tenants of prepaid or maturing USDA multifamily loans.

Single Family Housing

Key provisions:

- Increases the amount of unsecured debt for the Section 504 from \$7500 to \$15,000; and
- Authorizes Section 502 loans of up to 40 years for households with incomes at or below 60 percent of the area median.

Other Rural Provisions:

- Authorizes RCDI along the lines of longstanding appropriations language;
- Requires an annual report on rural housing programs and a GAO report on RD/RHS IT needs.

Other Select Provisions:

- Authorizes the use of CDBG Funds for affordable housing;
- Authorizes for three years the CDBG Disaster Recovery program;
- Raises the cap on bank public welfare investments – including affordable housing and community development from 15 to 20 percent;
- Reauthorizes the HOME Investment Partnership; and
- Authorizes HUD to provide a priority in competitive grant programs for projects located in or primarily serving Opportunity Zones.