



HOUSING FACT SHEET

Infrastructure is more than just roads, factories, utilities and community facilities; rural residents must be able to obtain affordable, quality housing.

The U.S. Department of Agriculture (USDA) Section 502 Single Family Housing Direct Loan Program exclusively targets very-low and low-income rural families, and 40 percent of the funds are set aside for very-low income families. Section 502 has helped over 2.1 million families purchase homes and fills a gap in the private market, by serving hardworking American families with incomes averaging just \$28,275.

In 2016, 7,086 low- and very-low income rural families obtained homeownership through Section 502 Direct. In the first eight months of FY 2017, USDA made 3,792 loans totaling more than \$510 million, and with less than three months left in the fiscal year there are currently \$1 billion worth of Section 502 direct loans in the application stage, demonstrating that demand outpaces supply. The USDA Section 502 Guaranteed Loan Program, which helps lenders work with low-and moderate-income families in rural areas, is also essential to meeting the housing needs of rural America.

Through USDA's Section 523 Mutual Self-Help Housing program, nonprofit organizations supervise and train groups of 6 to 12 low-income families as they build their own homes, earning "sweat equity." The Section 504 Loan and Grant and the Section 533 Housing Preservation Grant programs are used to address the housing rehabilitation needs for rural residents, particularly the elderly. Without these programs, rural seniors will be unable to complete necessary housing renovations to age in place. The RebuildRural Coalition supports funding for these single-family housing programs.

Multifamily rental housing is another important option for low-income rural residents. With an estimated 20-year need of \$5.596 billion just to preserve USDA's rental housing stock, additional resources are necessary for America's rural renters. Multifamily housing construction has a positive impact on the local economy; the one year effect of building 100 apartment units is the creation of 161 local jobs, \$11.7 million in local income and \$2.2 million in local taxes and government revenue.

RebuildRural supports building more rural rental housing. Increase access to credit by expanding and modernizing USDA's Section 538 Multi-Family Loan Guarantee Program and expanding federal mortgage insurance rural risk-sharing programs to local governments and approved lenders. USDA's Rural Rental Housing Loan Programs could be improved by allowing owners to use cash to obtain small loans for renovations, directing USDA to guarantee equity loans, and making changes to the Multifamily Preservation and Revitalization Program (MPR) for existing rural rental housing. With the MPR, USDA employs a variety of financing options to preserve rental housing properties in its portfolio. Between 2006 and 2014, the MPR financed 26,459 units in 1,218 properties. Support for adequate rental assistance is essential.

Incentivize investment in rural multifamily housing through the tax code by providing tax incentives to investors for preserving affordable housing and extending Low Income Housing Tax Credits to S Corporations, Limited Liability Companies, and closely-held C Corporations.

Agriculture, a driving force of the economy, relies on a steady supply of farmworkers. Without assistance from USDA's Farm Labor Housing Direct Loans and Grants, the only federal tools dedicated to constructing and renovating housing for farmworkers, many farms are unable to attract the labor needed. RebuildRural supports funding for this program.



REBUILD RURAL COALITION

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