

Rural Housing Appropriations Bill Passes Senate Subcommittee, Committee

NLIHC's Memo to Members
July 23, 2010

In additional FY11 appropriations action, the Senate has taken up an FY11 spending bill that includes the rural housing programs administered through the Department of Agriculture (USDA).

Following passage by the Senate Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee, the FY11 USDA appropriations bill was reported out of the full Senate Appropriations Committee as S. 3606 on July 15.

The bill funds most rural housing programs, including the Section 515 rental housing program, at FY10 enacted levels. The Committee did, however, increase funding for Section 502 single-family loans. Section 502 direct loans received a modest increase to the Administration's requested level of \$1.2 billion, while loan levels for Section 502 guaranteed loans were doubled, to \$24 billion. The Senate bill would impose a 3.5% origination fee and a 0.5% servicing fee on Section 502 guaranteed loans, making the program self-financing.

The Committee rejected the President's proposed elimination of USDA's rural rental preservation demonstration program, known as MPR, action sought by advocates.

The House Appropriations Committee marked up its FY11 USDA spending bill on June 30, but funding levels have not yet been released.

--Thanks to Leslie Strauss of the Housing Assistance Council for contributing this article.

View the Housing Assistance Council's analysis of the Senate USDA FY11 bill:
http://www.ruralhome.org/index.php?option=com_content&view=article&id=304:fy11-budget-usda&catid=45