

BUDGET AND APPROPRIATIONS PROCESS



- Step one: President proposes budget
- Step two: Budget resolution(s) are drafted, voted on, and confereed in House and Senate
 - Based on budget resolution outcome, "302b" allocations are assigned to Appropriations Subcommittees
- Step three: Appropriations bills are drafted, voted on, and confereed in House and Senate
- Should the process fail: Continuing resolution(s) or government shutdown(s)
- Parallel process: Mandatory spending/ reconciliation



1

TOPLINE FY27 BUDGET TAKEAWAYS

- The FY27 White House Budget proposes a 10% cut to domestic discretionary spending to offset a 13% increase in defense spending.
 - This includes proposed cuts to USDA, HUD, and the CDFI Fund:
 - USDA: 19% proposed cuts
 - HUD: 13% proposed cuts
 - CDFI Fund: proposed for elimination (with the exception of a new rural-specific program)



2

USDA MULTIFAMILY FUNDING

USDA Rural Dev. Prog. (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
515 Rental Hsg. Direct Lns.	50	50	50
514 Farm Labor Hsg. Lns.	11	15	15
516 Farm Labor Hsg. Grts.	6.2	6	6
521 Rental Assistance	1,715	1,715	1,795
538 Rental Hsg. Guar. Lns.	400	400	500



3

USDA MULTIFAMILY PRESERVATION FUNDING

USDA Rural Dev. Prog. (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
Rental Prsrv. Demo. (MPR)	15	30	30
542 Rural Hsg. Vouchers	0	48	0
Rental Prsrv. TA	0	2	0
Prsrv. Revolving Loan Fd.	0	0	0



4

USDA MULTIFAMILY DECOUPLING

- Decoupling has been piloted through appropriations since FY24
- The White House proposed to continue allowing for decoupling of Section 521 rental assistance and maturing Section 515 mortgages
 - This is a process the agency has named "Stand Alone Rental Assistance" or SARA
 - Currently, SARA is capped at 5,000 units per year, but this proposed budget would remove that cap



5

USDA SINGLE-FAMILY FUNDING

USDA Rural Dev. Prog. (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
502 Single Fam. Direct	0	1,000	983.2
Native Amer. SF Demo	0	5	0
502 Single Family Guar.	25,000	25,000	20,000



6

USDA SINGLE-FAMILY FUNDING (cont.)

USDA Rural Dev. Prog. (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
504 VLI Repair Loans	25	25	25
504 VLI Repair Grants	20	21	20
523 Self-Help Grants	0	25	25
533 Hsg. Preserv. Grants	0	6	6



7

THE LARGER CONTEXT: CURRENT USDA CHALLENGES

- Disruptive Section 502 direct handbook changes
- Lack of obligations for previously appropriated funding across a variety of RHS programs
- General lack of movement/transparency on internal agency actions and challenges with external stakeholder communication



8

HUD FUNDING

HUD Program (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
Tenant-Based Rental Asstnce.	*	38,439	38,846
VASH setaside	*	15	0
Tribal VASH	10	10	10
Project-Based Rental Asstnce.	*	18,143	17,640
Public Hsg. Capital Fund	*	3,200	3,200
Public Hsg. Operating Fund	*	5,024	5,377



9

HUD FUNDING (cont.)

* The FY26 budget proposed combining Tenant-Based Rental Assistance, Project-Based Rental Assistance, Public Housing, Section 202, and Section 811 into a block grant to states.



10

HUD FUNDING (cont.)

HUD Program (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
CDBG	0	3,300	0
HOME	0	1,250	0



11

HUD FUNDING (cont.)

HUD Program (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
Native Amer. Hsg.	877	1,354	887
Homeless Assistance Grants	4,024	4,417	4,024
Hsg. Opps. for Persons w/ AIDS		529	0



12

HUD FUNDING (cont.)

HUD Program (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
202 Hsg. for Elderly	*	1,031	959
811 Hsg. for Disabled	*	287	266
Fair Housing	26.4	86.4	26
Healthy Homes & Lead Haz. Cntl.	0	296	110
Housing Counseling	0	57.5	0



13

KEY PROGRAMS FOR HAC AND PARTNERS

Program (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
Self-Help Homeownshp. (SHOP) (HUD)	0	12	0
Rural Capacity Bldg. (RCB) (HUD)	0	7	0
Rural Cmty. Devel. Init. (RCDI) (USDA)	0	5	0



14

CDFI FUND

Program (\$ millions)	FY26 Budget	FY26 Final	FY27 Budget
CDFI FA and TA	0	188	0
Native CDFI FA and TA	0	28	0
Rural Financial Asst.	100	NA	100



15

HAC'S FY27 FUNDING PRIORITIES

USDA multifamily preservation through programs like MPR, to stem the loss of Section 515 properties

Rural capacity building through programs like RCB & RCDI

Self-help homeownership through programs like SHOP



Photo: Shawn Poynter/ There is More Work to be Done



16

2026 POLICY PRIORITIES

View at:
<https://ruralhome.org/our-work/policy/policy-priorities/>

HOUSING ASSISTANCE COUNCIL

2026 RURAL HOUSING POLICY PRIORITIES

2026

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17

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18



19