



RD EXPECTS PROGRAM CUTS BUT NO FURLoughS UNDER SEQUESTER. RD officials say they do not have authority to allocate cuts across programs, so funding for each loan or grant program will be reduced by 5%. (HAC apologizes for any confusion caused when the *HAC News* previously reported cuts would be 5.1%). Section 521 Rental Assistance contracts will be paid as long as possible; sometime in September, funding will run out for an estimated 10,340 RA contracts. RD estimates the resulting loss in project income could lead to loan delinquencies at 411 projects. RD also calculates the sequester will reduce FY13 aid by 294 Section 502 direct loans, 24 new Section 515 rental units, and 17 new Section 514/516 farm labor housing units, and will cut 568 jobs. The Section 538 and 502 guarantee programs will not be cut because they are funded by fees charged to program participants, but they could be impacted by factors such as staff cuts. Currently RD expects not to furlough staff. ♦ Information about sequestration at HUD is available from sources including [HUD](#) and the [National Low Income Housing Coalition](#).

HOUSE APPROVES GOVERNMENT FUNDING FOR FY13. On March 6 the House passed [H.R. 933](#), a continuing resolution for the remainder of FY13. The bill keeps FY12 funding levels and the sequester in place for USDA, HUD, and other domestic discretionary programs, adds a 0.098% across the board cut, and reallocates some defense and veterans spending. Each housing program would receive 94.902% of its FY12 funding. The Senate has not yet released a proposed bill.

AREA ELIGIBILITY CHANGES STILL UNCERTAIN. USDA RD has not issued final determinations about changes in geographic eligibility for housing programs that are expected to take effect March 28 (see [HAC News, 9/26/12](#)). H.R. 933, the House CR (see item above), contains language that seems to be intended to maintain current eligibility status through September 30, 2013. RD officials say they are reviewing the language, which is not identical to wording in the current CR that funds the government through March 27. Rep. Jeff Fortenberry (R-NE) and others have introduced [H.R. 858](#), which would retain current eligibility until 2020 Census data is available.

ASSETS FOR INDEPENDENCE DEADLINES APPROACH. [Applications](#) are due March 25 and May 24. [This program](#) provides five-year grants to nonprofits and government agencies that establish individual development accounts for low-income participants. Contact the [AFI Resource Center](#), 1-866-778-6037.

BIPARTISAN HOUSING COMMISSION REPORT SUPPORTS RURAL HOUSING. On February 25 the Bipartisan Policy Center's [Housing Commission](#) released its report, *Housing America's Future: A New Direction for a National Policy*, making recommendations on mortgage finance reform and other issues including rural housing. It recommends keeping the rural housing programs at USDA, extending the current definition of eligible areas, increasing funding, and strengthening local nonprofit users of USDA funds. A summary and links are posted on [HAC's website](#).

HUD REPORTS CONTINUED INCREASE IN WORST CASE HOUSING NEEDS. [Worst Case Housing Needs 2011: A Summary Report to Congress](#) shows that the number of unassisted very low-income renters with severe cost burden or severely substandard housing has increased by 19% since 2009 and 43% since 2007. The total number of renters has increased, renter incomes have declined, rents have increased, and the number of affordable rental units available to very low-income renters has decreased. A more detailed report is forthcoming.

NLIHC FINDINGS HIGHLIGHT HOUSING NEED FOR EXTREMELY LOW-INCOME RENTERS. [Housing Spotlight: America's Affordable Housing Shortage and How to End It](#) reports that added affordable housing units have not kept pace with increases in extremely low-income renters (those with incomes below 30% of area median), resulting in a shortage of 4.6 million units. This calculation does not include people who are homeless.

USDA RD RECOMMENDS 50,000 POPULATION THRESHOLD FOR NON-HOUSING PROGRAMS. On February 22 USDA RD submitted a [Report on the Definition of "Rural"](#) to the House and Senate Agriculture Committees. It recommends making the Rural Business, Rural Utilities, and Community Facilities programs available in places with up to 50,000 population. The report suggests that RD could use a number of factors such as population density and economic conditions to target funding to the most rural places and the places with the greatest need.

INDIAN HOUSING DEVELOPMENT HANDBOOK UPDATED. The handbook, published by the National American Indian Housing Council, has been updated to include provisions on implementation of the Helping Expedite and Advance Responsible Tribal Homeownership Act and revised BIA leasing regulations.

HAC OFFERS WEBINAR ON CONDUCTING HOMELESS COUNTS ON NATIVE AMERICAN LANDS. Register online for this free one-hour session to be held Wednesday, March 13 at 2 pm eastern time, based on HAC's new toolkit on this subject (see HAC News, 2/20/13). Contact Eric Oberdorfer, HAC.

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