

USDA RURAL DEVELOPMENT HOUSING ACTIVITY REPORT



FISCAL YEAR 2023

Photo: Rory Doyle. There is More Work To Be Done.

Housing Assistance Council



USDA RURAL DEVELOPMENT HOUSING ACTIVITY REPORT

FISCAL YEAR 2023

Housing Assistance Council

The Housing Assistance Council

January 2024

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Washington, DC 20036

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www.ruralhome.org

This research report was prepared by the Housing Assistance Council (HAC). Lance George, Keith Wiley, and Leslie Strauss are the researchers and authors of this report. HAC is solely responsible for the accuracy of the statements and interpretations contained in this document.

The Housing Assistance Council (HAC) is a national nonprofit corporation that helps build homes and communities across Rural America. For nearly 50 years, HAC has supported local efforts to improve rural housing conditions.

HAC is an equal-opportunity employer and housing provider.

USDA RURAL DEVELOPMENT HOUSING ACTIVITY REPORT - FISCAL YEAR 2023

INTRODUCTION & OVERVIEW

Since the 1950s, the United States Department of Agriculture (USDA) has provided financial assistance for the construction, repair, and affordability of millions of homes for low- and moderate-income rural residents. USDA accomplishes this activity through its Rural Development (RD) agency. In Fiscal Year (FY) 2023, USDA obligated roughly 65,500 loans, loan guarantees, and grants totaling about \$10.6 billion, and over \$1.5 billion in Rental Assistance to approximately 228,000 rural renters. The Housing Assistance Council (HAC) presents a review of most USDA housing resources obligated in Fiscal Year 2023 and their historical trends.

SELECTED HIGHLIGHTS

Some USDA Loan Products Are Being Impacted by High Interest Rates and Prices. In the past year there has been a slowdown in mortgage activity generally in the United States, largely attributable to relatively high interest rates and increasing home prices. Data relating to USDA's guaranteed home loan product signals that rural homebuyers are being impacted by high interest rates, and high prices as well. In FY 2023, USDA's Section 502 home mortgage loan guarantees plummeted by over 47 percent from FY 2022, and 70 percent from the FY 2021 level, dropping to roughly 38,000 loans guaranteed in 2023. This decline was generally consistent across the nation as all states experienced a reduction in USDA mortgage guarantees. Due to the size and influence of Section 502 guarantees within USDA's housing programs, the decline in this product also impacted the agency's overall housing production. As an example, in FY 2021 USDA's overall number of loans and dollars obligated (for all programs) were more than double the FY 2023 level, which is largely a result of the sharp decline in the agency's guaranteed loan production over the past two years.

SELECTED HIGHLIGHTS (continued)

Section 502 Direct Homeownership Loans Grew Overall While Certain Markets Declined or Remained Stagnant. USDA obligated 7,218 home purchase loans through its Section 502 direct loan product in FY 2023 – a 13 percent increase from FY 2022 levels. Among these direct mortgages, approximately 472 “Self-Help” direct loans were obligated to families contributing sweat equity towards the construction of their homes. Section 502 Self-Help mortgage activity declined by nearly 40 percent from FY 2022, and the past year’s Self-Help loan obligation totals were at their lowest since 1967. Similarly, USDA only obligated three Section 502 direct mortgages in Indian Country in FY 2023. This is a decline from seven direct 502 loans in Indian Country in FY 2022, and continues a trend of extremely low or near-nonexistent Section 502 mortgage activity on Native lands.

Section 504 Home Repair Grants Increased, But Repair Loan Activity Continued to Decline. USDA obligated 4,113 grants to repair rural homes for very low-income households – an increase of 16 percent in its Section 504 repair and rehabilitation grants from FY 2022. USDA also offers a Section 504 repair loan which has generally been underutilized in recent years. The agency obligated just over 1,900 home repair loans in FY 2023 – a 10 percent decline from FY 2022 Section 504 loan obligations.

Section 515 Rural Rental Housing Loans Supported Repair and Rehabilitation of the Existing Stock. In FY 2023, USDA obligated 67 loans totaling \$70 million of Section 515 rural rental housing funds. Multifamily housing loans were made in 13 states. Consistent with previous years’ obligations, all FY 2023 Section 515 loans were for repair and rehabilitation activities.

SELECTED HIGHLIGHTS (continued)

Similar To Single Family Guarantees, Section 538 Multifamily Loan Guarantees Also Declined. In FY 2023 USDA guaranteed 52 multifamily loans for \$168 million (of \$400 million available) across 21 states. Section 538 loan guarantees declined by nearly 30 percent from FY 2022 levels, and were down nearly two-thirds since FY 2020.

Section 521 Rental Assistance Aided over 228,000 Rural Renters. At over \$1.5 billion in obligations, USDA's Section 521 Rental Assistance is one of the larger outlays among the Agency's housing resources. While supporting over 228,000 renter households, the number of Section 521 rental units continues to decline from its high in FY 2017 (302,451 assisted units). Section 521 supported roughly 19,000 fewer renters in FY 2023 from FY 2022 levels, but dollars obligated increased by 6 percent in this period.

USDA SINGLE FAMILY HOUSING OBLIGATIONS FISCAL YEAR 2023



CONTENT

[Section 502 Direct Homeownership Loans](#)

[Section 502 Direct Homeownership Self-Help Loans](#)

[Section 502 Direct Homeownership Loans in Indian Country](#)

[Section 502 Guaranteed Homeownership Loans](#)

[Section 504 Home Repair & Rehabilitation Loans](#)

[Section 504 Home Repair & Rehabilitation Grants](#)

[Section 533 Housing Preservation Grants](#)

[Photo: Rory Doyle. There is More Work To Be Done.](#)

USDA SECTION 502 DIRECT HOMEOWNERSHIP LOANS

FY 2023 Activity

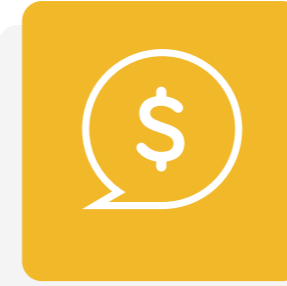


Loans Obligated

7,128

change from FY 2022

+13%



Dollars Obligated

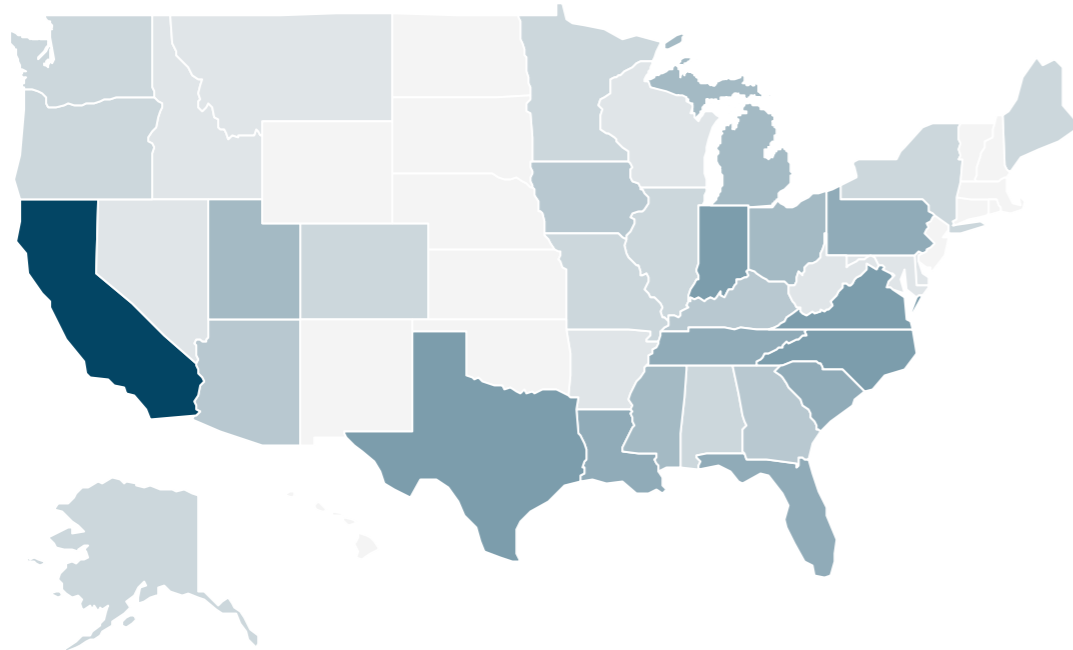
\$1,706,310,236

change from FY 2022

+32%

Loans

Dollars



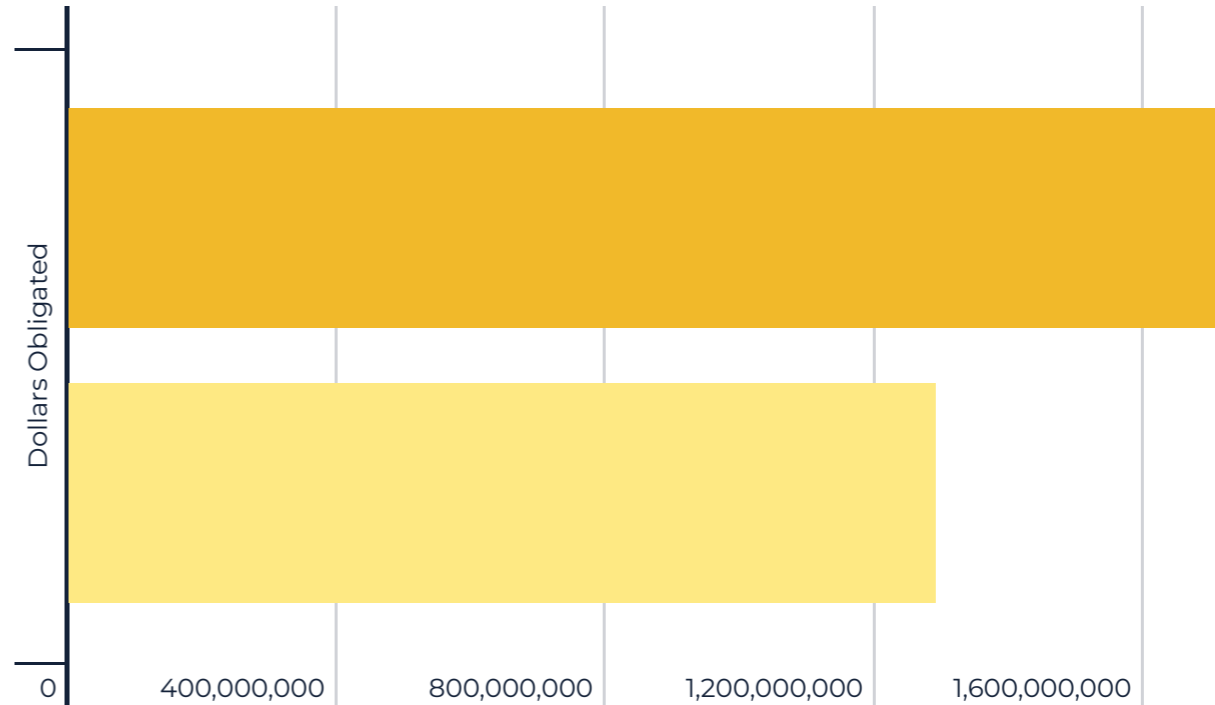
Loan Obligations

0 50 100 150 200 250 300 350 400 450 500 550 600 650

[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

Dollars

Loans



● FY 2023 ● FY 2022

USDA SECTION 502 SELF-HELP HOMEOWNERSHIP LOANS

FY 2023 Activity

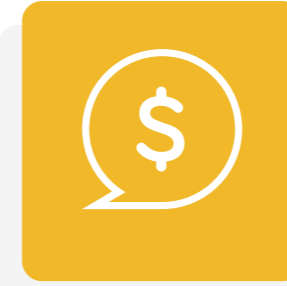


Self-Help Loans Obligated

472

change from FY 2022

-39%



Dollars Obligated

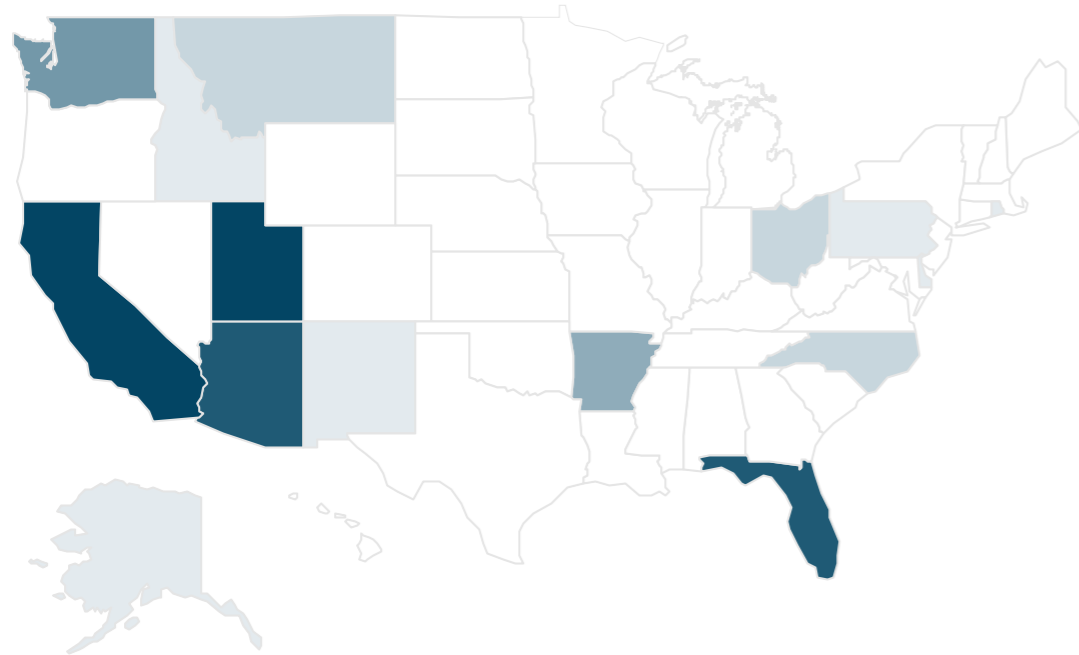
\$108,489,266

change from FY 2022

-39%

Loans

Dollars



Self-Help Loan Obligations

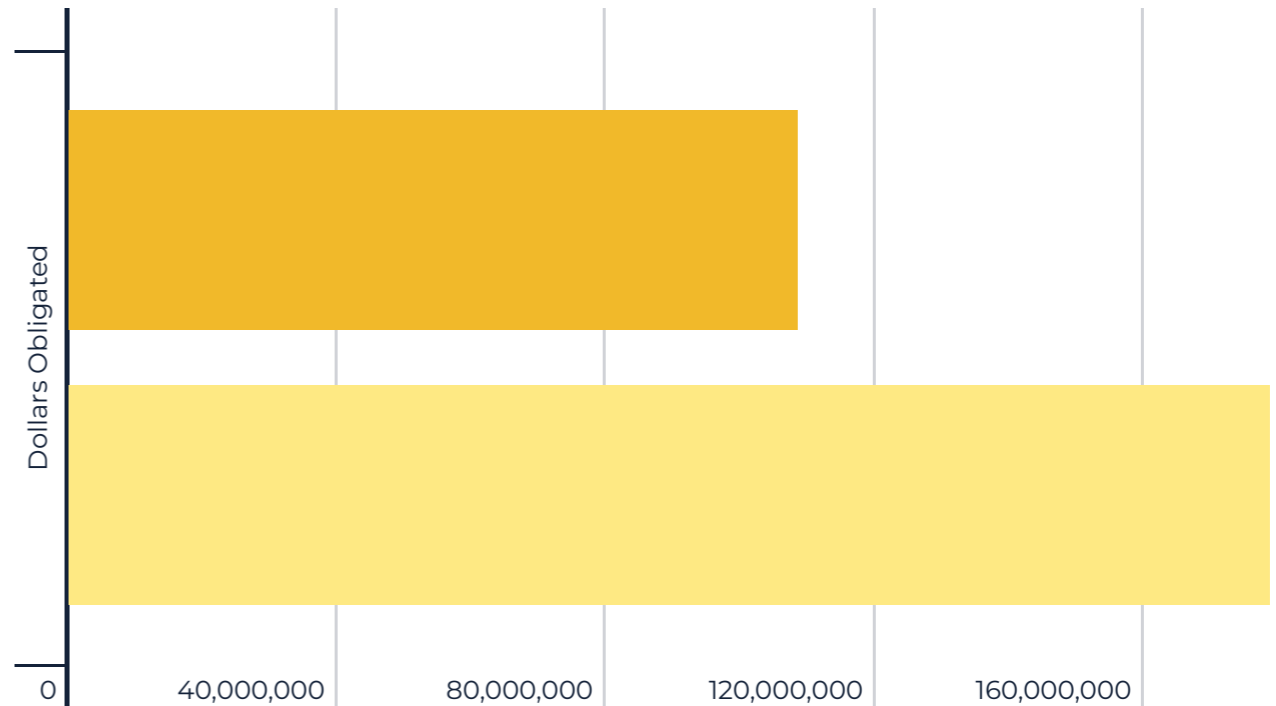
0 5 10 15 20 25 30 35 40 45 50

[Download data](#)

Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

Dollars

Loans



● FY 2023 ● FY 2022

USDA SECTION 502 DIRECT HOMEOWNERSHIP LOANS IN INDIAN COUNTRY FY 2023 Activity

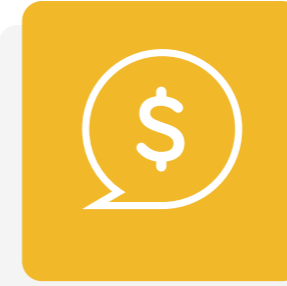


Loans Obligated

3

change from FY 2022

-57%



Dollars Obligated

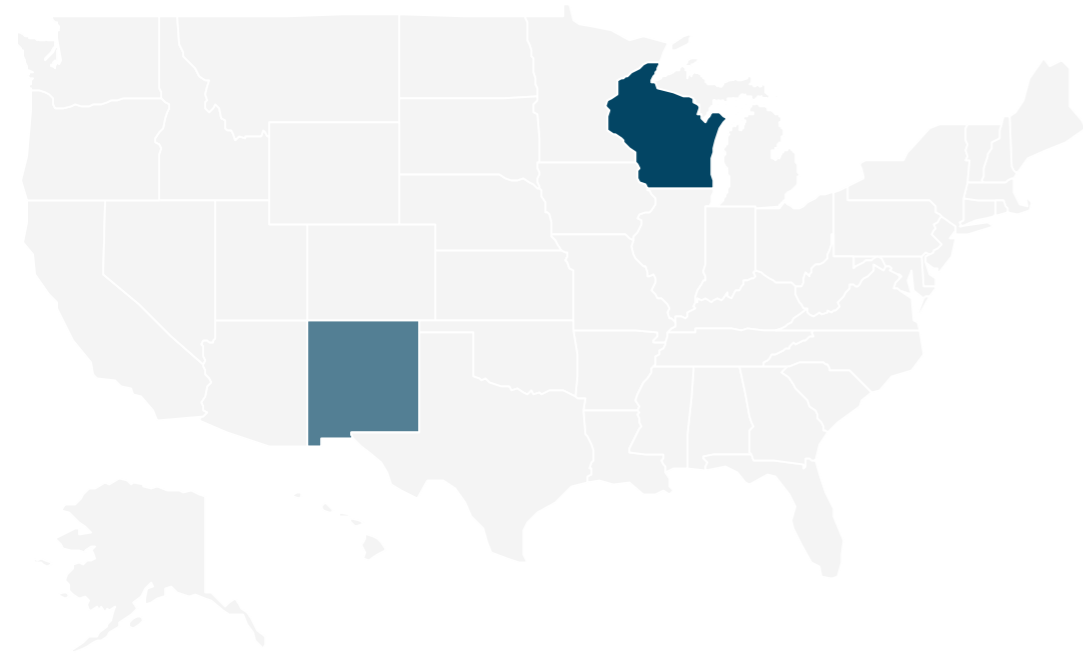
\$731,155

change from FY 2022

-44%

Loans

Dollars

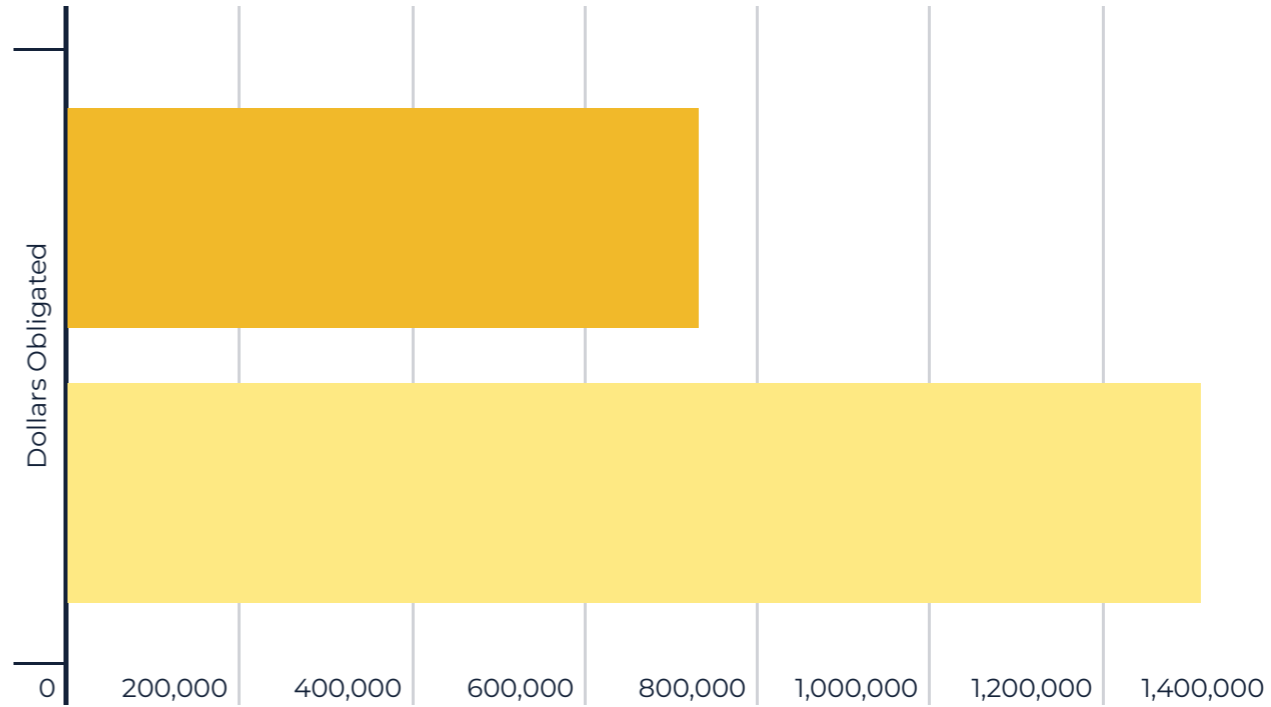


Loan Obligations



Dollars

Loans



● FY 2023 ● FY 2022

[Download data](#)

Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

USDA SECTION 502 GUARANTEED HOMEOWNERSHIP LOANS

FY 2023 Activity

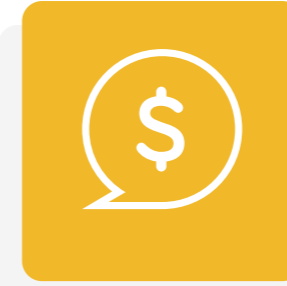


Loans Guaranteed

37,756

change from FY 2022

-47%



Dollars Guaranteed

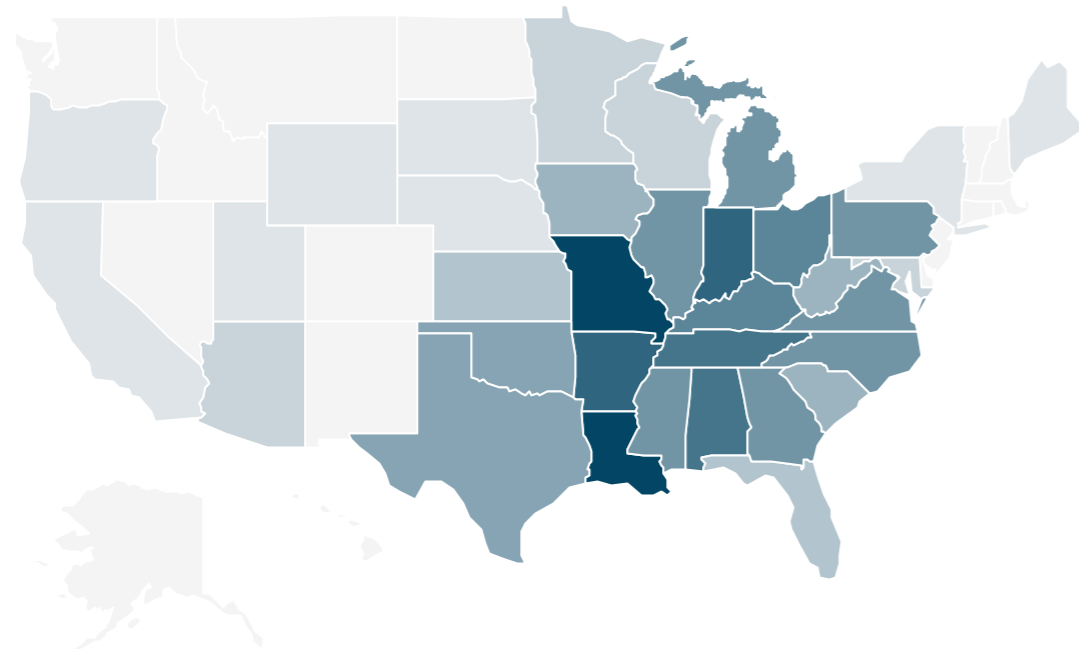
\$6,799,949,473

change from FY 2022

-48%

Loans

Dollars



Loan Guarantees

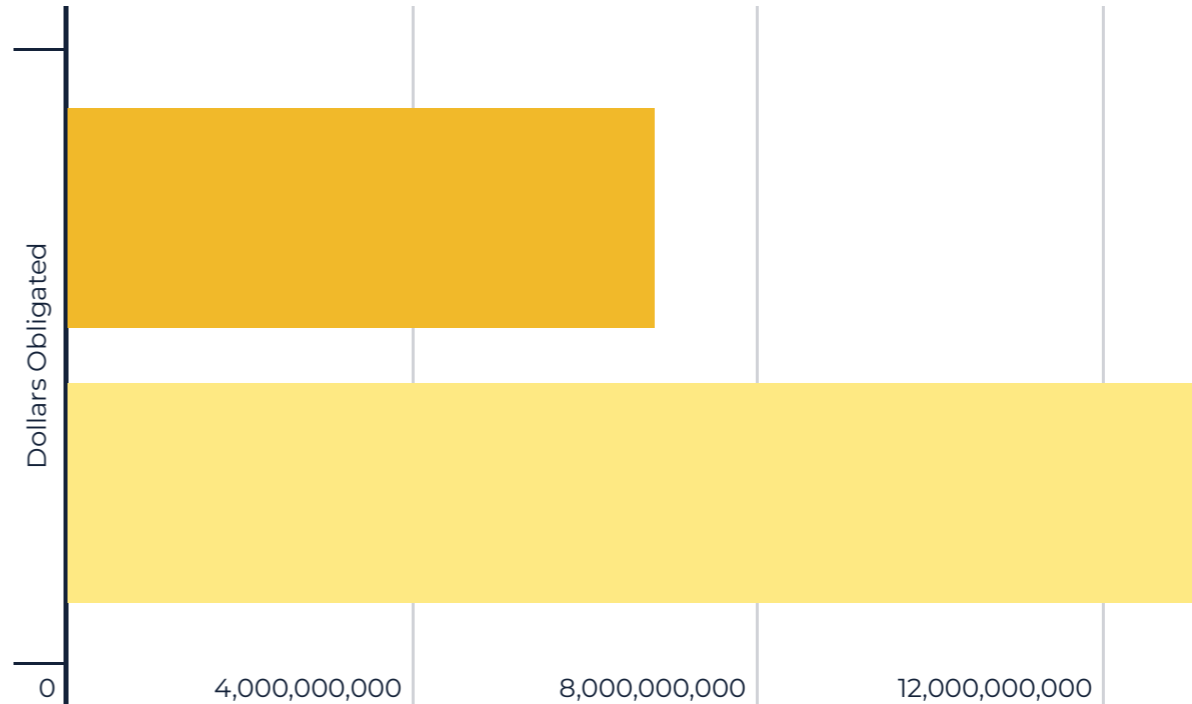
0 200 400 600 800 1,000 1,200 1,400 1,600 1,800 2,000 2,200 2,400

[Download data](#)

Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

Dollars

Loans



● FY 2023 ● FY 2022

USDA SECTION 504 HOME REPAIR AND REHABILITATION GRANTS

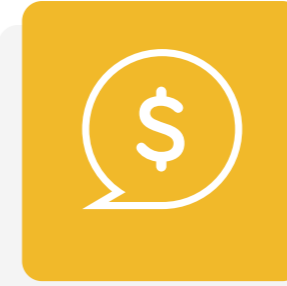
FY 2023 Activity



Grants
4,113

change from FY 2022

+16%



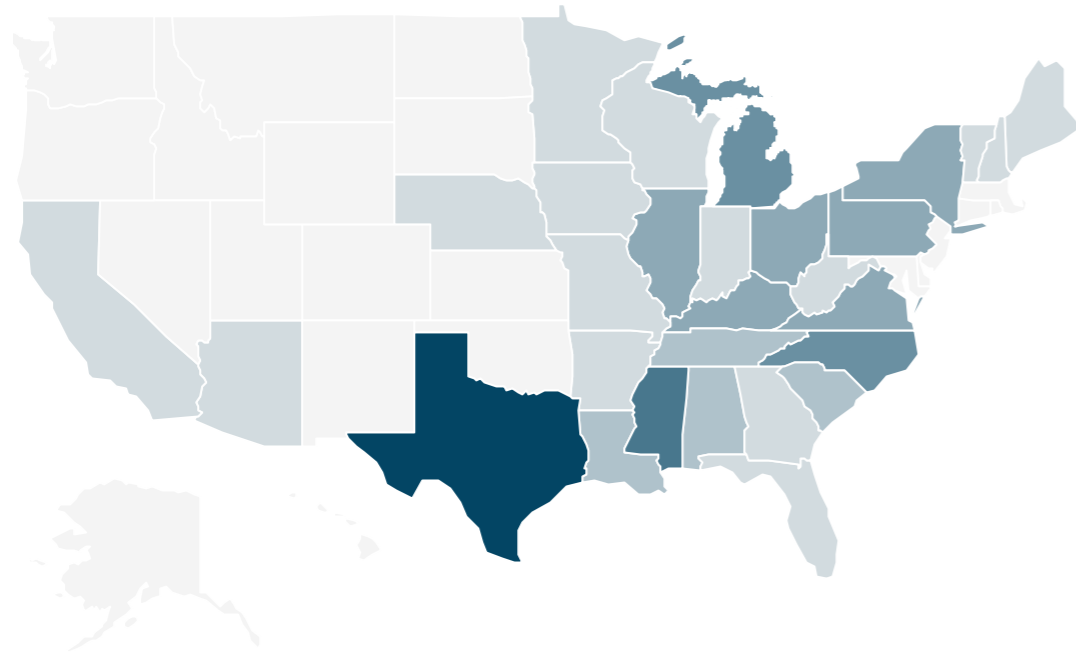
Dollars Granted
\$39,189,397

change from FY 2022

+43%

Grants

Dollars

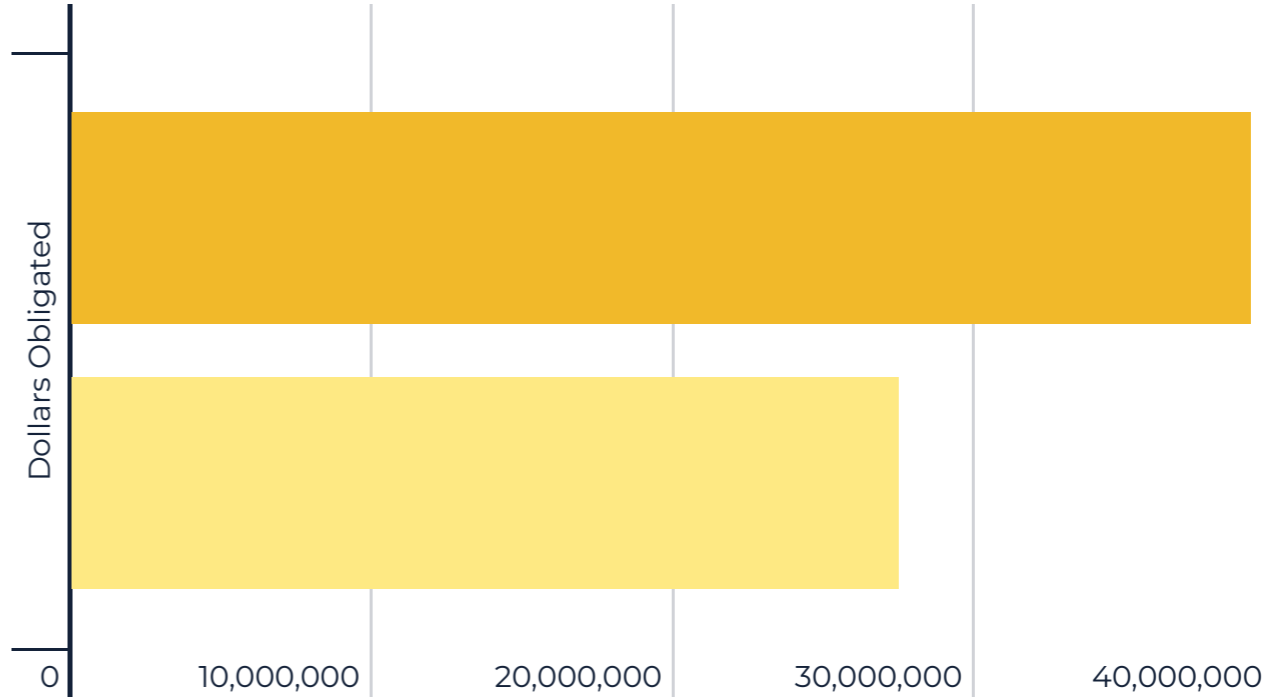


Grants

0 50 100 150 200 250 300 350 400

Dollars

Grants



● FY 2023 ● FY 2022

[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

USDA SECTION 504 HOME REPAIR & REHABILITATION LOANS

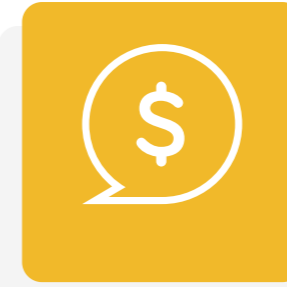
FY 2023 Activity



Loans
1,973

change from FY 2022

-10%



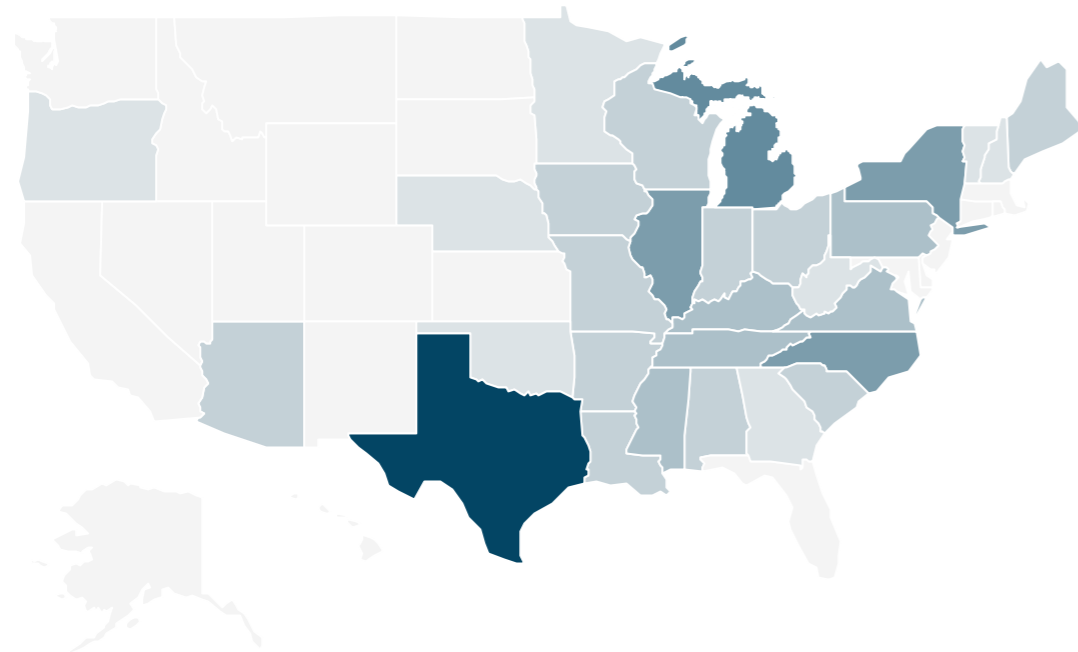
Dollars Obligated
\$15,106,451

change from FY 2022

-1%

Loans

Dollars

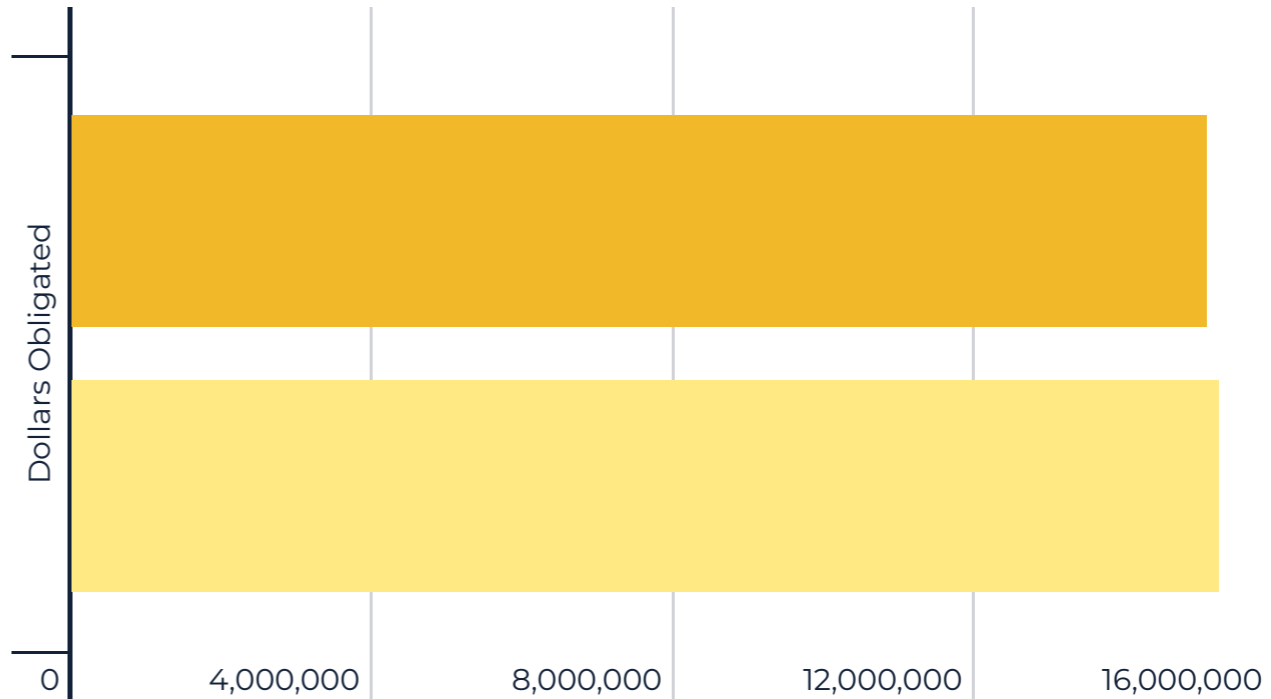


Loans

0 20 40 60 80 100 120 140 160 180 200 220

Dollars

Loans



● FY 2023 ● FY 2022

[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

USDA SECTION 533 HOUSING PRESERVATION GRANTS

FY 2023 Activity



Grants

152

change from FY 2022

+20%



Dollars Obligated

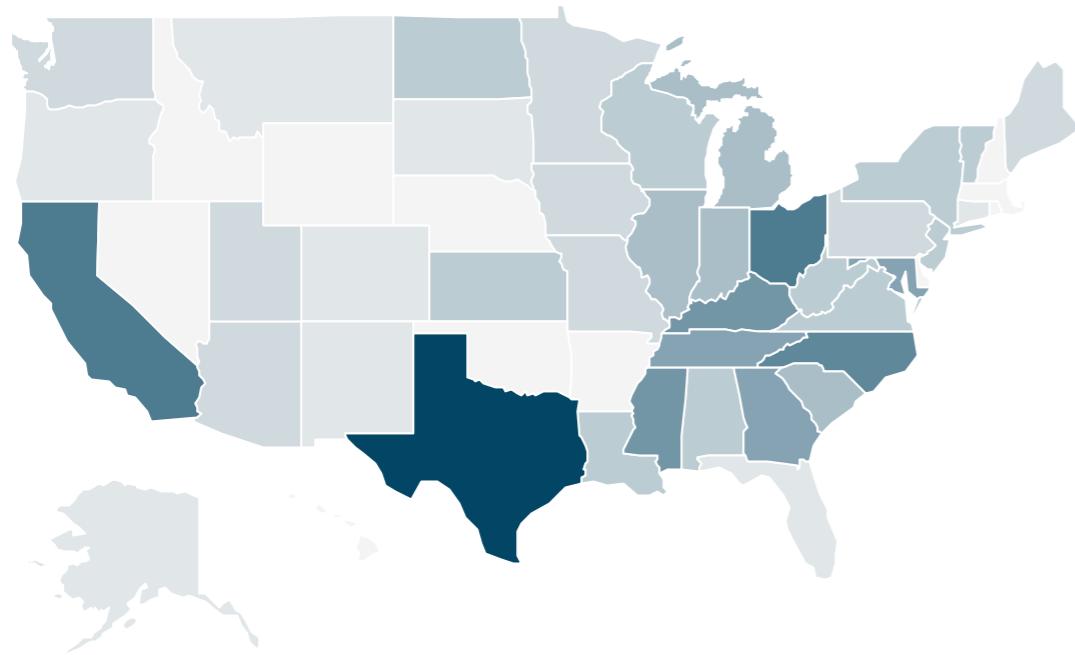
\$20,613,920

change from FY 2022

+18%

Grants

Dollars

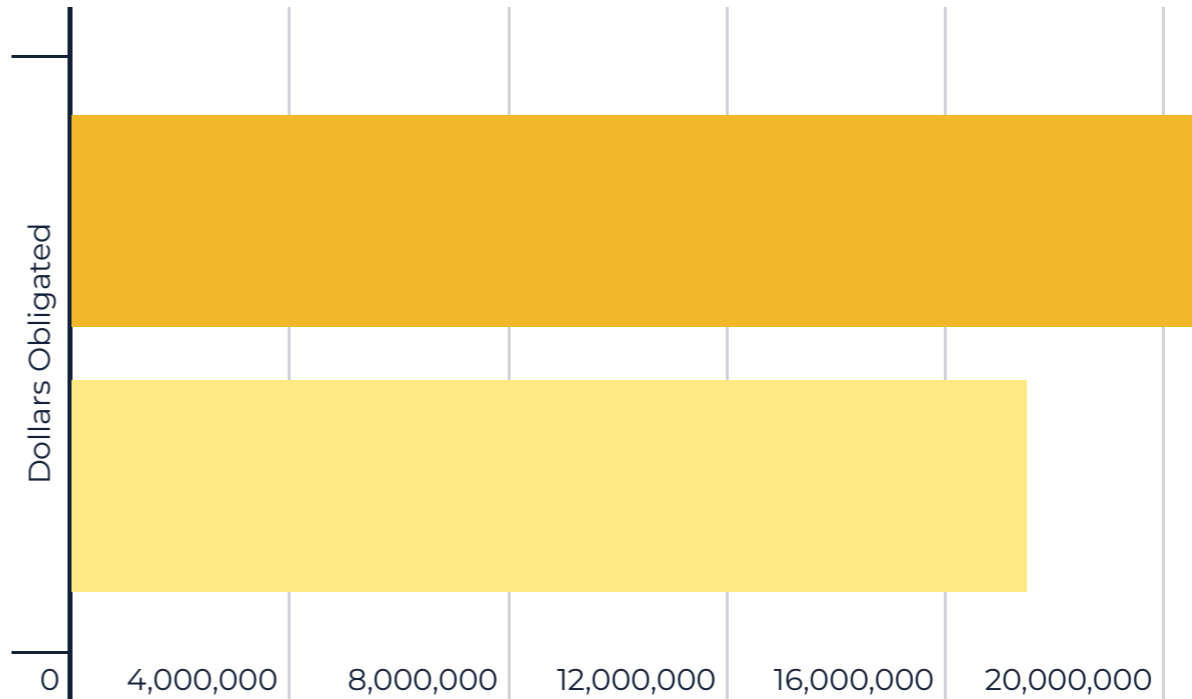


Grants



Dollars

Grants



[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

● FY 2023 ● FY 2022

USDA MULTIFAMILY HOUSING OBLIGATIONS FISCAL YEAR 2023



CONTENT

[Section 515 Rural Rental Housing Loans](#)

[Section 514 Farm Labor Housing Loans](#)

[Section 516 Farm Labor Housing Grants](#)

[Section 538 Multifamily Loan Guarantees](#)

[Multifamily Preservation Loans](#)

[Multifamily Preservation Grants](#)

[Section 542 Multifamily Vouchers](#)

[Section 521 Rental Assistance](#)

Photo: Shawn Poynter. There is More Work To Be Done



USDA SECTION 514 FARM LABOR HOUSING LOANS

FY 2023 Activity



Loans

1

change from FY 2022

-96%



Dollars Obligated

\$60,000

change from FY 2022

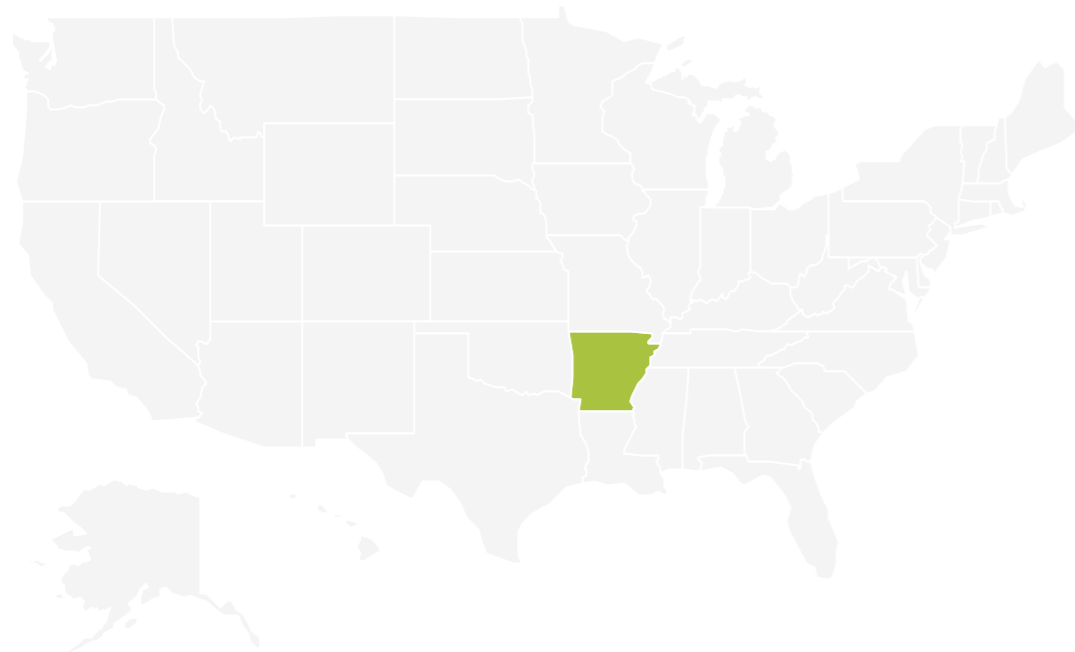
-99%

Loans

Dollars

Dollars

Loans

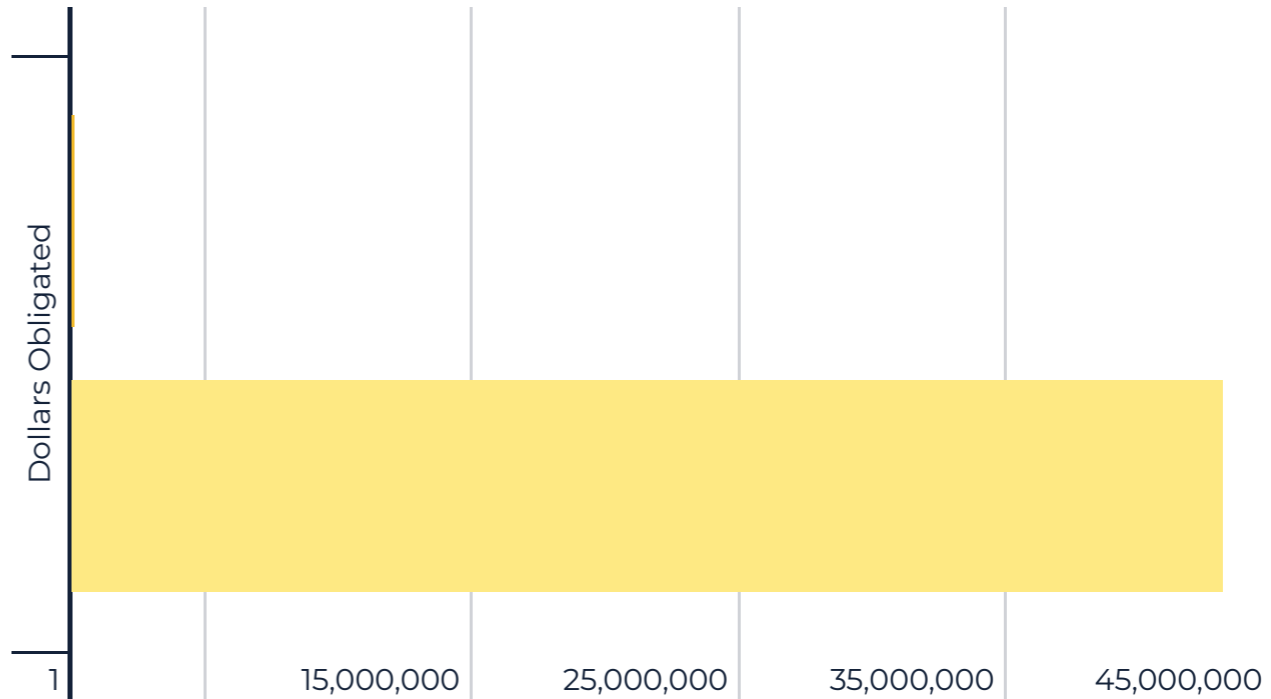


Loans



[Download data](#)

Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023



FY 2023 FY 2022

USDA SECTION 516 FARM LABOR HOUSING GRANTS

FY 2023 Activity



Grants

4

change from FY 2022

-88%



Dollars Obligated

\$578,901

change from FY 2022

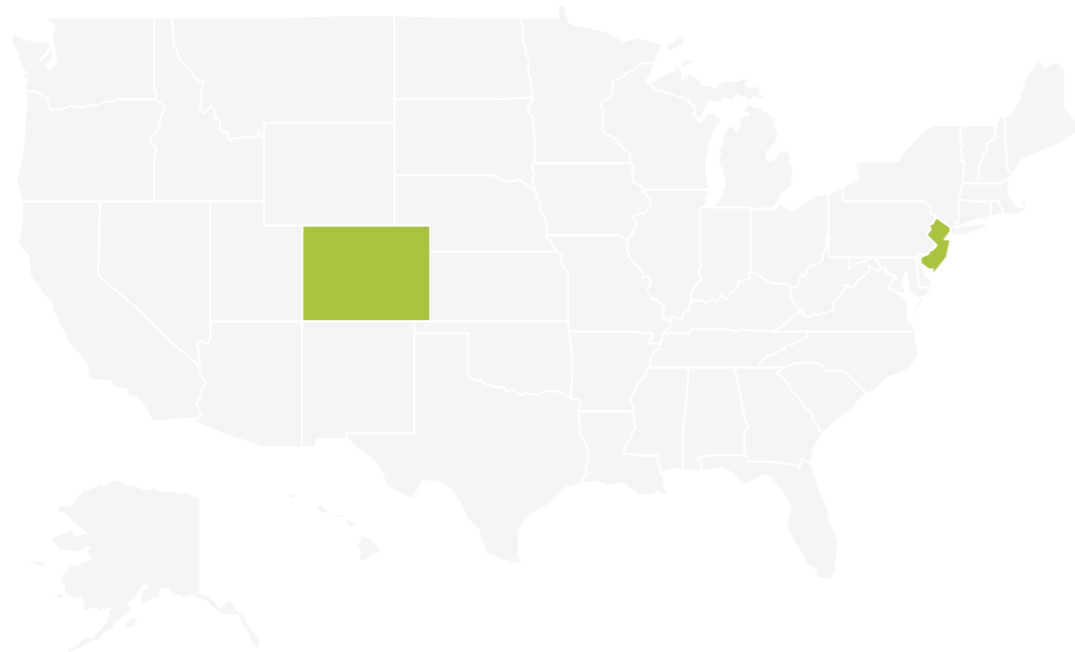
-98%

Grants

Dollars

Dollars

Grants

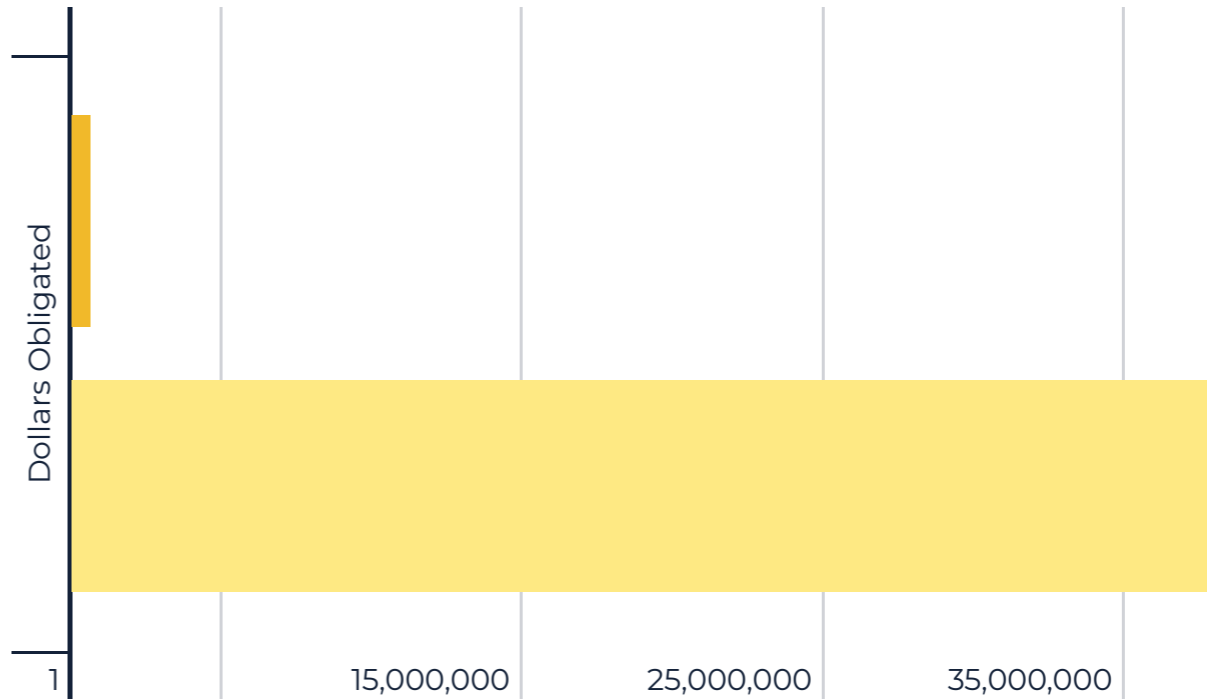


Grants



[Download data](#)

Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023



● FY 2023 ● FY 2022

USDA SECTION 538 MULTIFAMILY HOUSING LOAN GUARANTEES

FY 2023 Activity



Loan Guarantees

52

change from FY 2022

-27%



Dollars Obligated

\$167,606,482

change from FY 2022

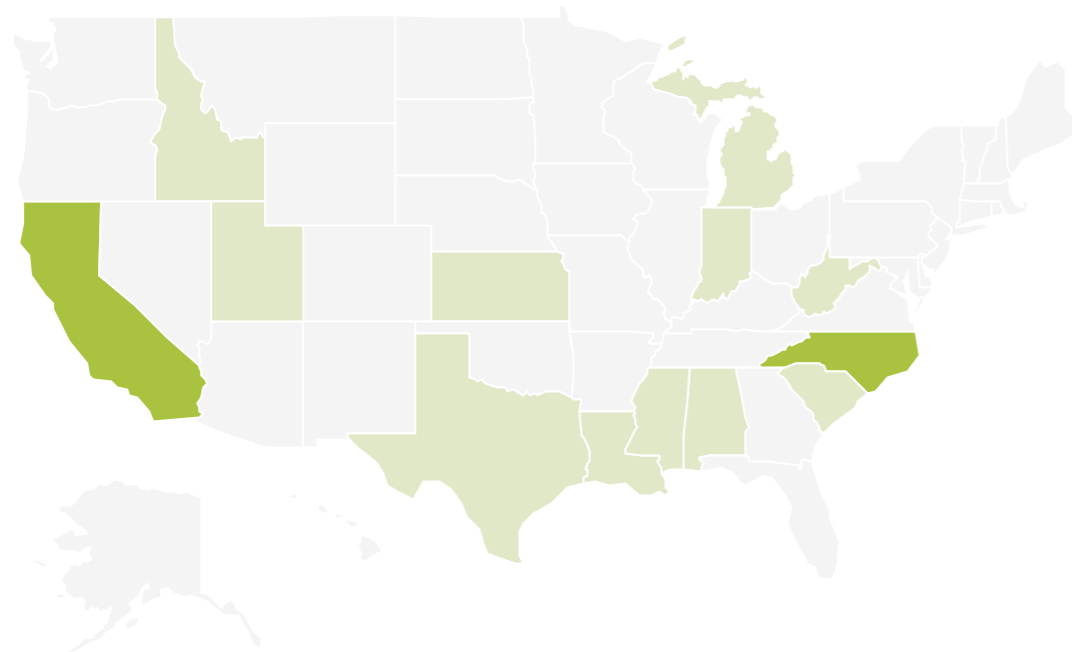
-33%

Loan Guarantees

Dollars

Dollars

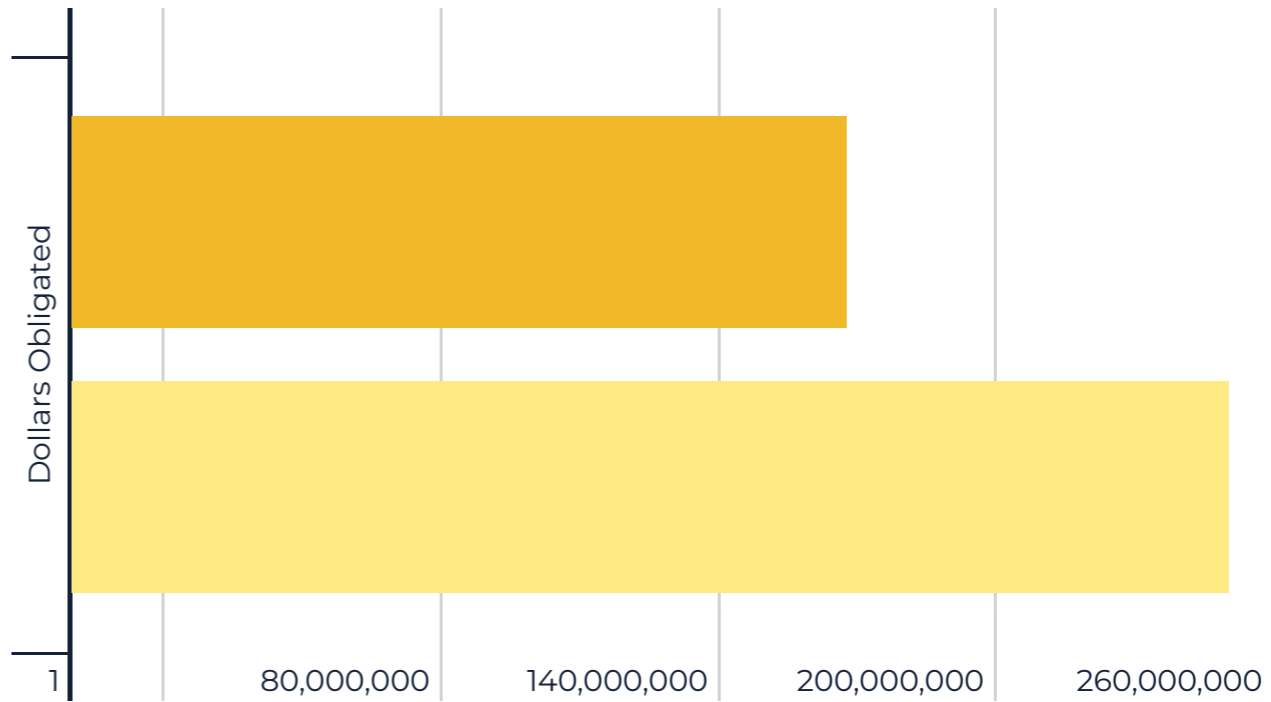
Loan Guarantees



Loan Guarantees



0 2 4 6 8 10



● FY 2023 ● FY 2022

[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

USDA MULTIFAMILY HOUSING PRESERVATION AND REVITALIZATION LOANS

FY 2023 Activity



Loans

52

change from FY 2022

-69%



Dollars Obligated

\$28,775,507

change from FY 2022

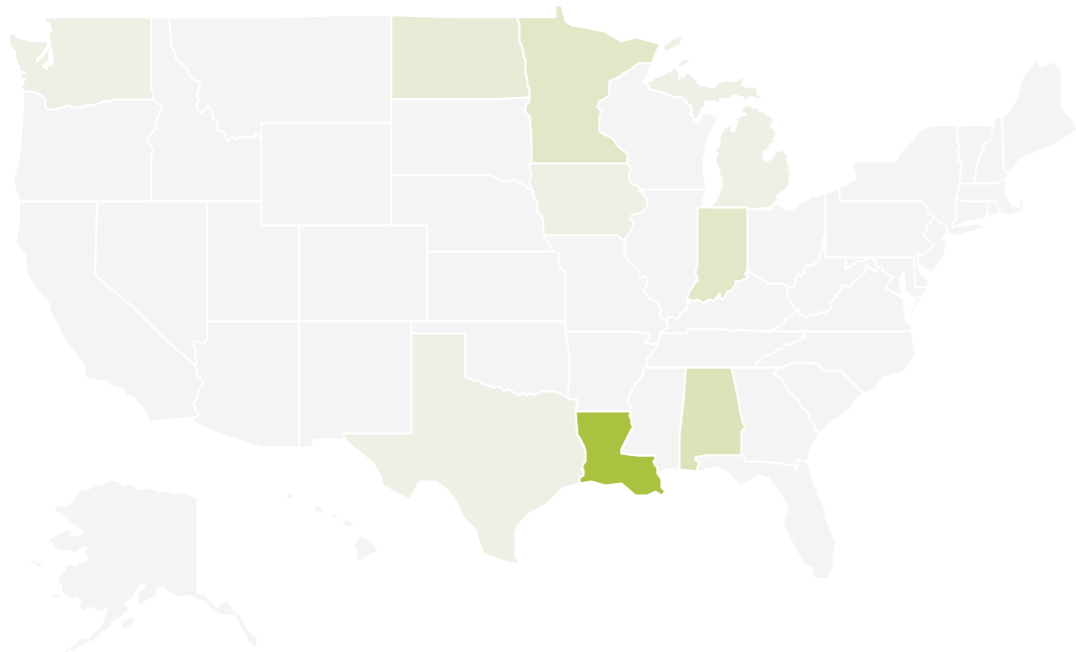
-80%

Loans

Dollars

Dollars

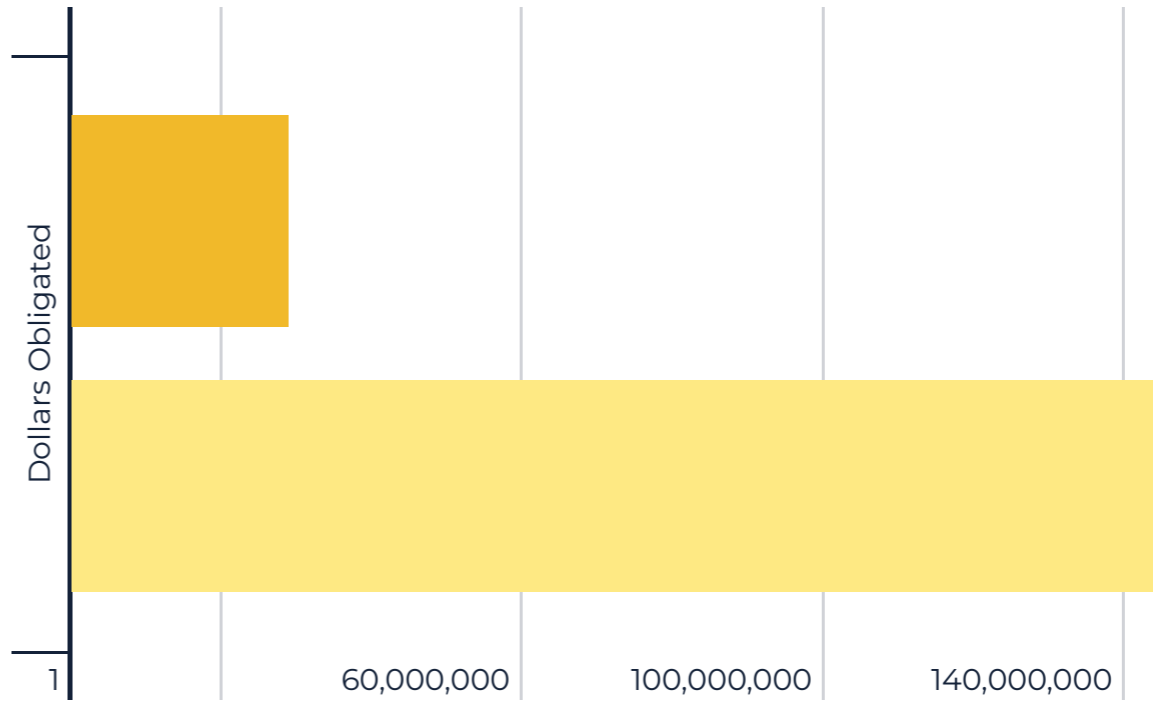
Loans



Loans

0 2 4 6 8 10 12 14 16 18 20 22 24 26

[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023



● FY 2023 ● FY 2022

USDA MULTIFAMILY HOUSING PRESERVATION AND REVITALIZATION GRANTS

FY 2023 Activity



Grants

6

change from FY 2022

0%



Dollars Obligated

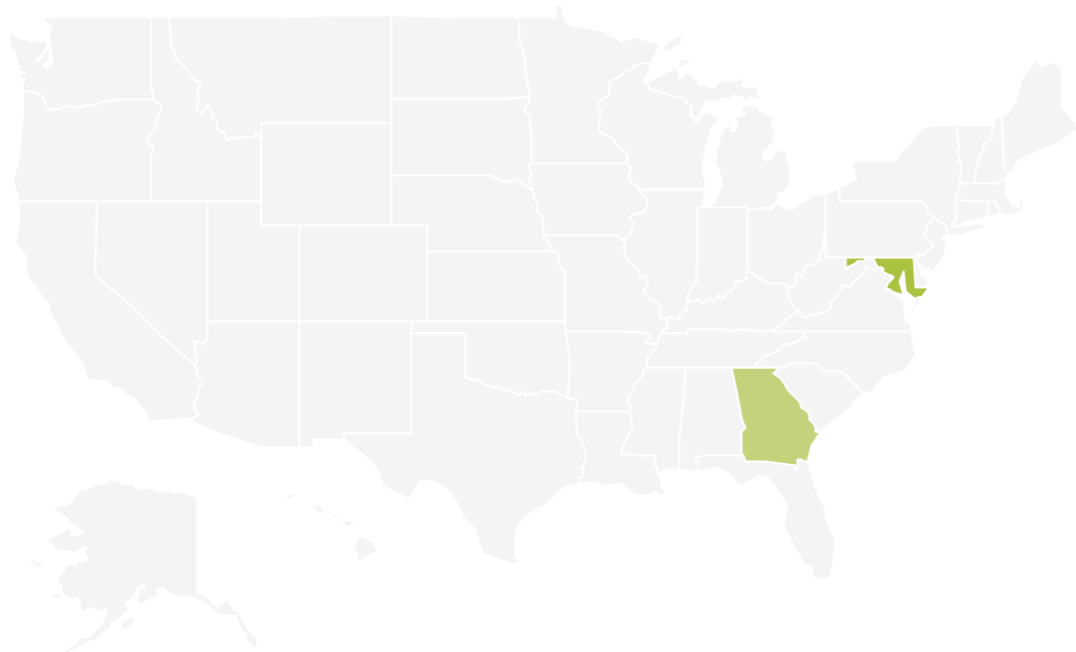
\$3,000,000

change from FY 2022

+42%

Grants

Dollars

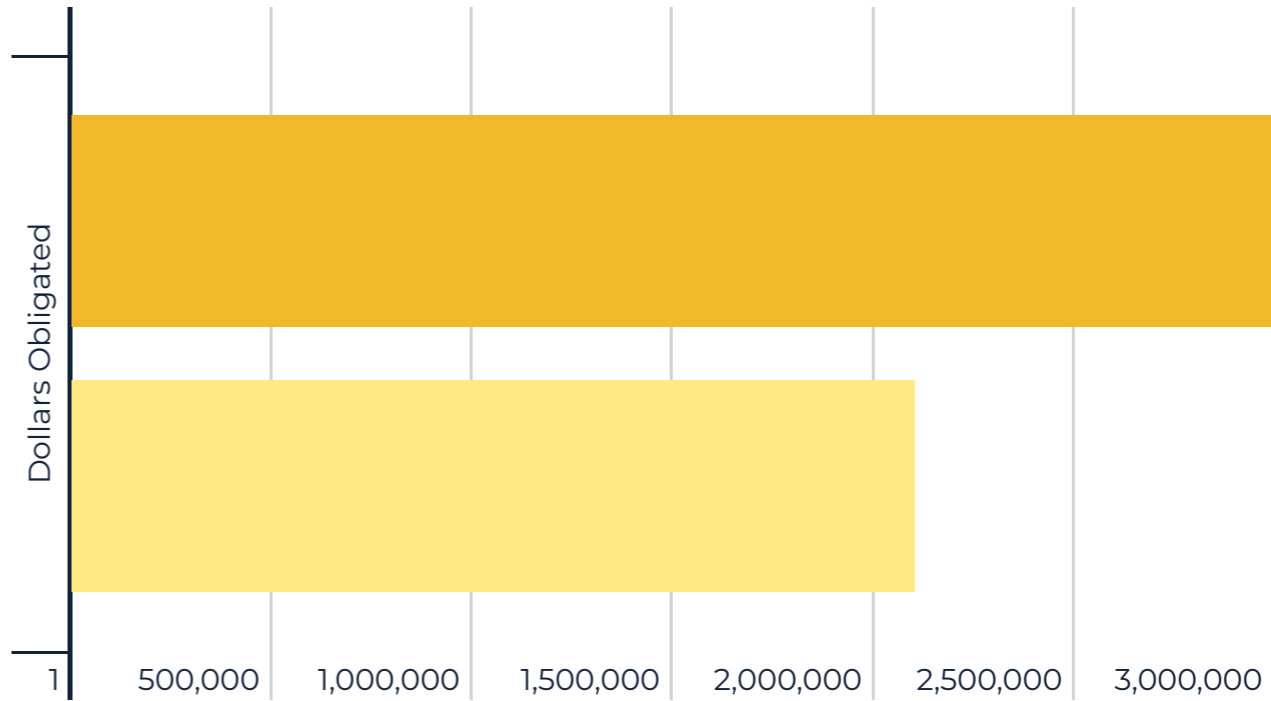


Grants



Dollars

Grants



● FY 2023 ● FY 2022

[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

USDA SECTION 542 MULTIFAMILY HOUSING VOUCHERS

FY 2023 Activity



Vouchers
6,392

change from FY 2022

-4%



Dollars Obligated
\$36,338,888

change from FY 2022

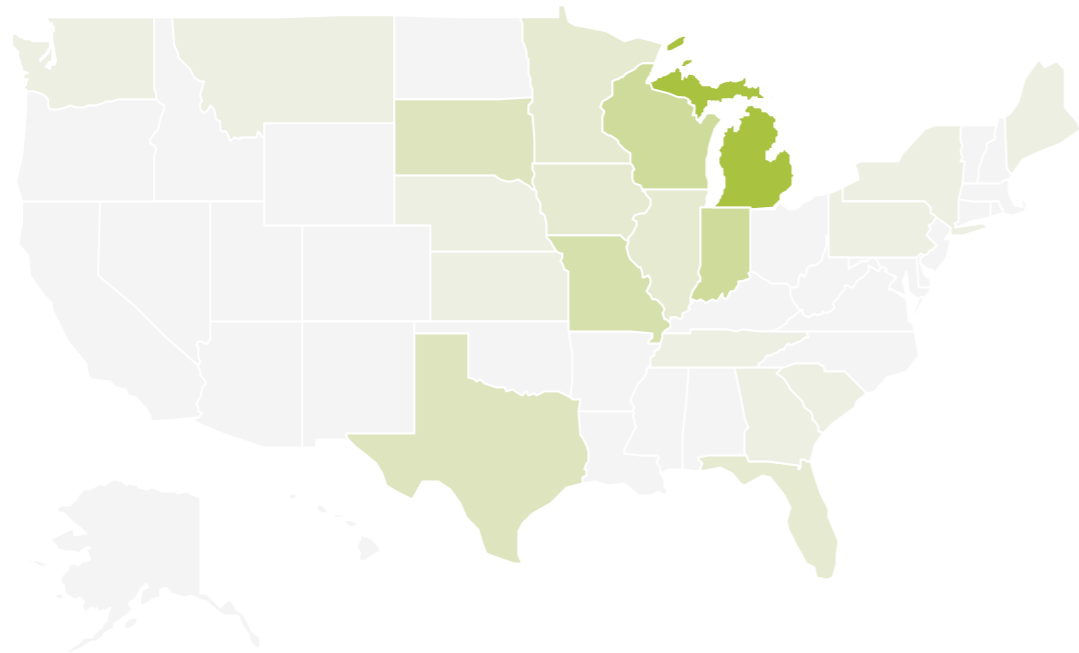
+2%

Vouchers

Dollars

Dollars

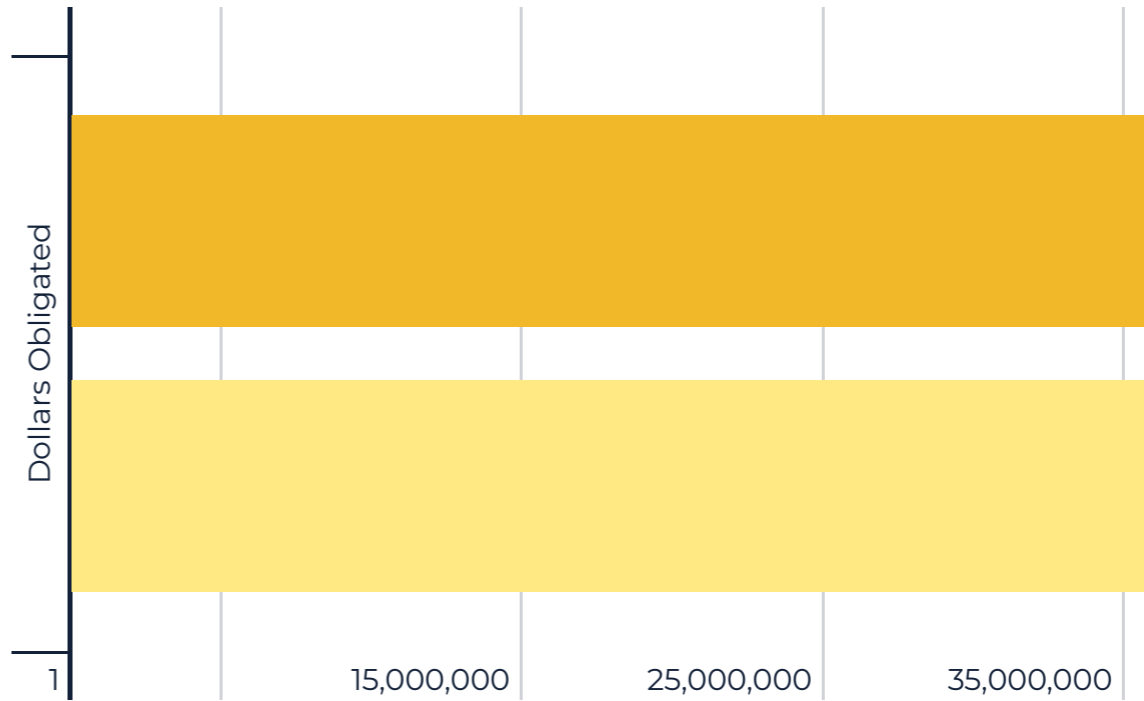
Vouchers



Vouchers

0 100 200 300 400 500 600 700 800 900 1,000 1,100

[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023



● FY 2023 ● FY 2022

USDA SECTION 521 MULTIFAMILY RENTAL ASSISTANCE

FY 2023 Activity



Rental Assistance Units

228,047

change from FY 2022

-8%



Dollars Obligated

\$1,527,926,000

change from FY 2022

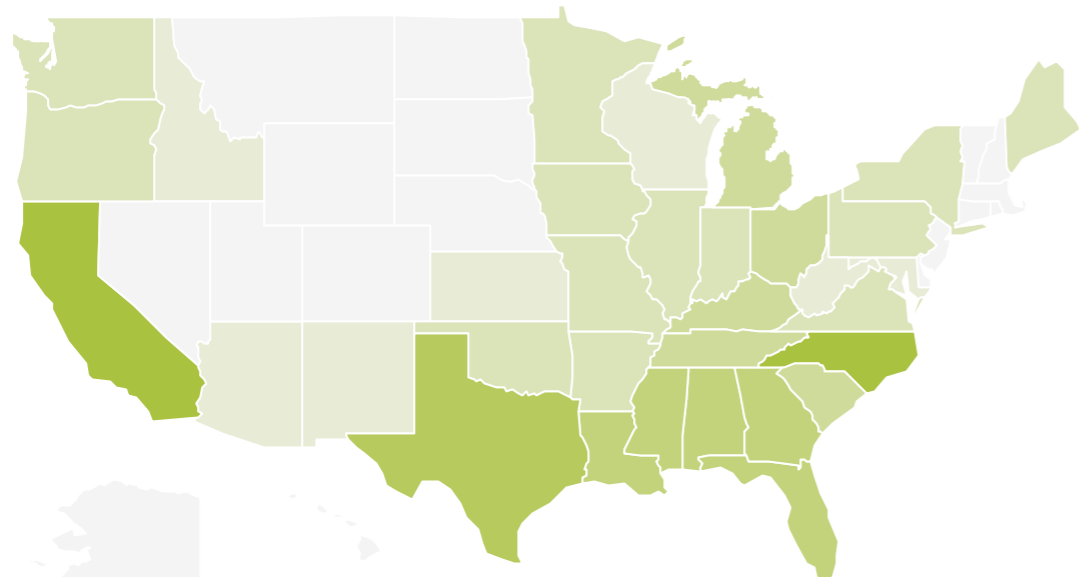
+6%

Assisted Units

Dollars

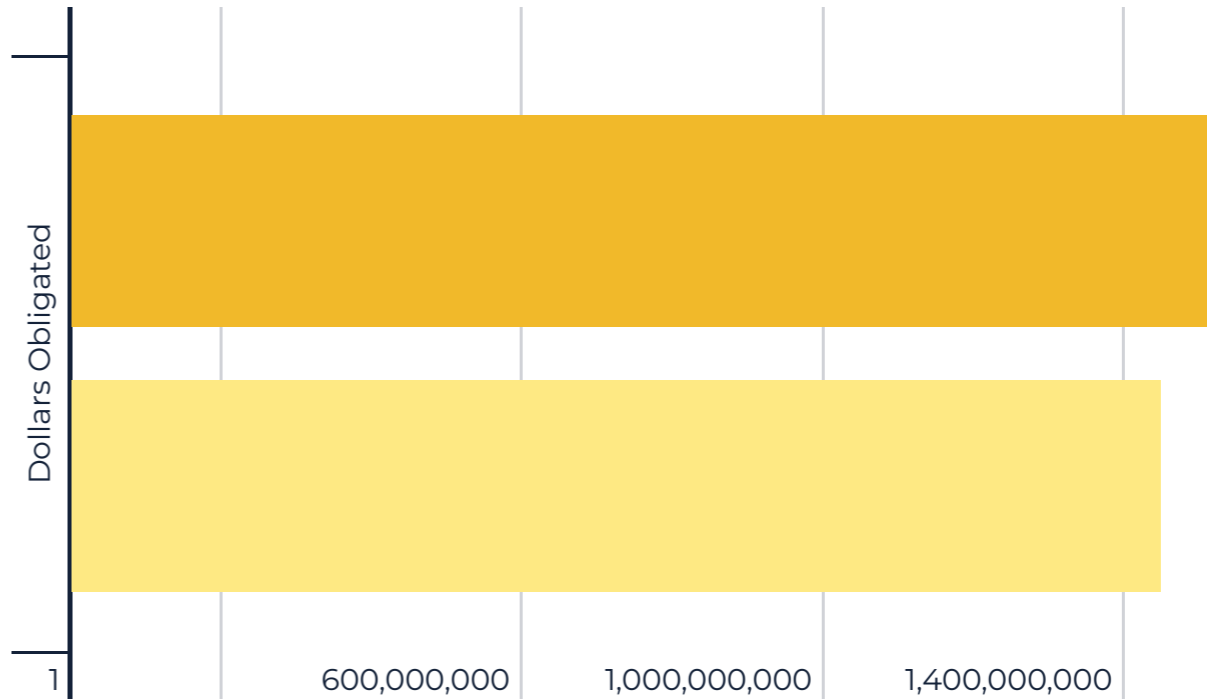
Dollars

Assisted Units



Rental Assistance Units

0 2,000 4,000 6,000 8,000 10,000 12,000 14,000



● FY 2023 ● FY 2022

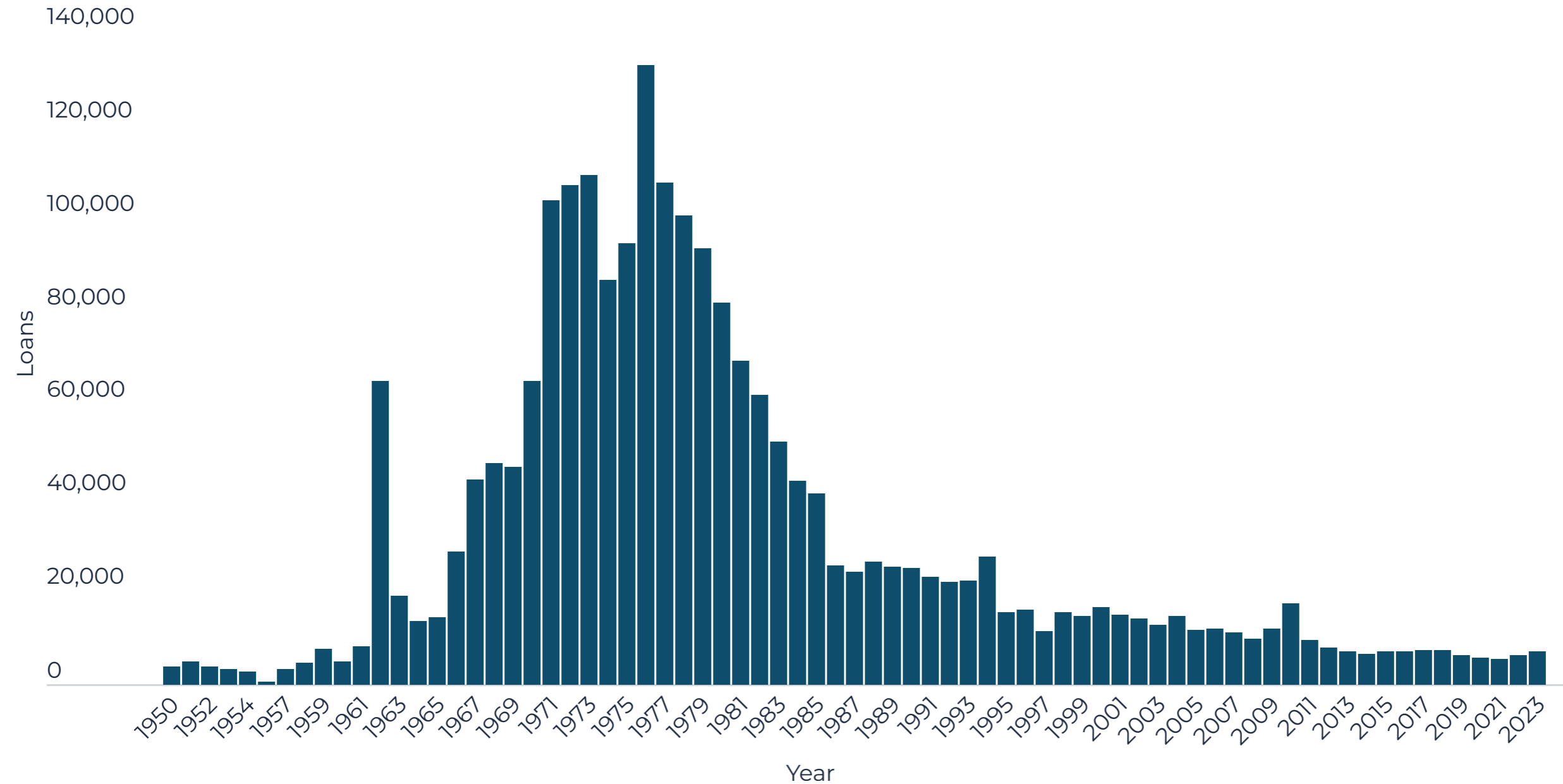
[Download data](#) Source: Housing Assistance Council tabulation of USDA 205F and 205H reports dated as of 9/30/2023

USDA RURAL DEVELOPMENT HOUSING PROGRAMS HISTORIC ACTIVITY

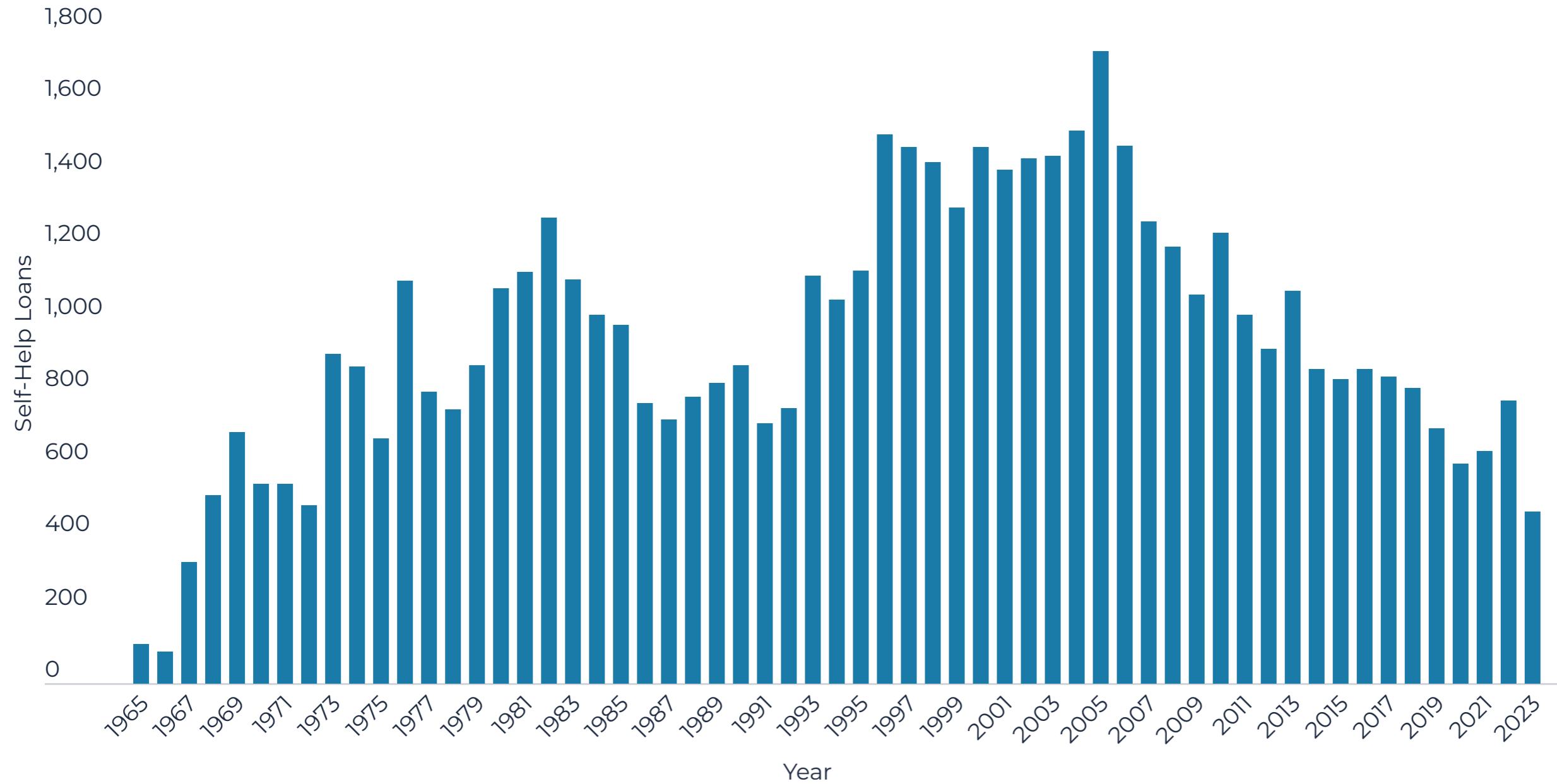


Photo: Shawn Poynter. There is More Work To Be Done

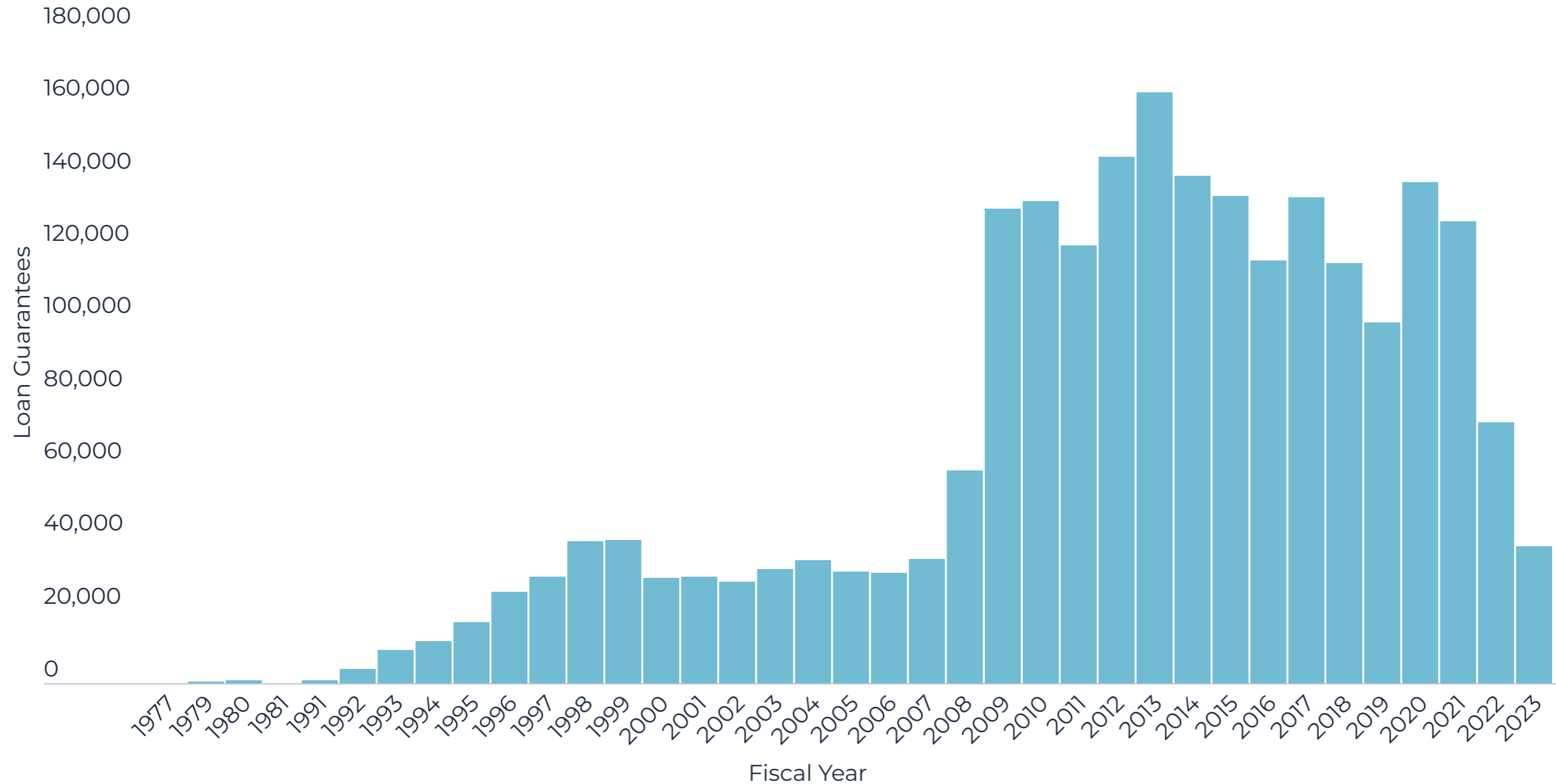
USDA Section 502 Direct Home Mortgage Loans Fiscal Years 1950-2023



USDA Section 502 Self-Help Mortgage Loans Fiscal Years 1965 - 2023



USDA Section 502 Mortgage Guarantees Fiscal Years 1977-2023



Source: Housing Assistance Council Tabulations of USDA Data

USDA Section 502 Direct and Guaranteed Mortgage Loans

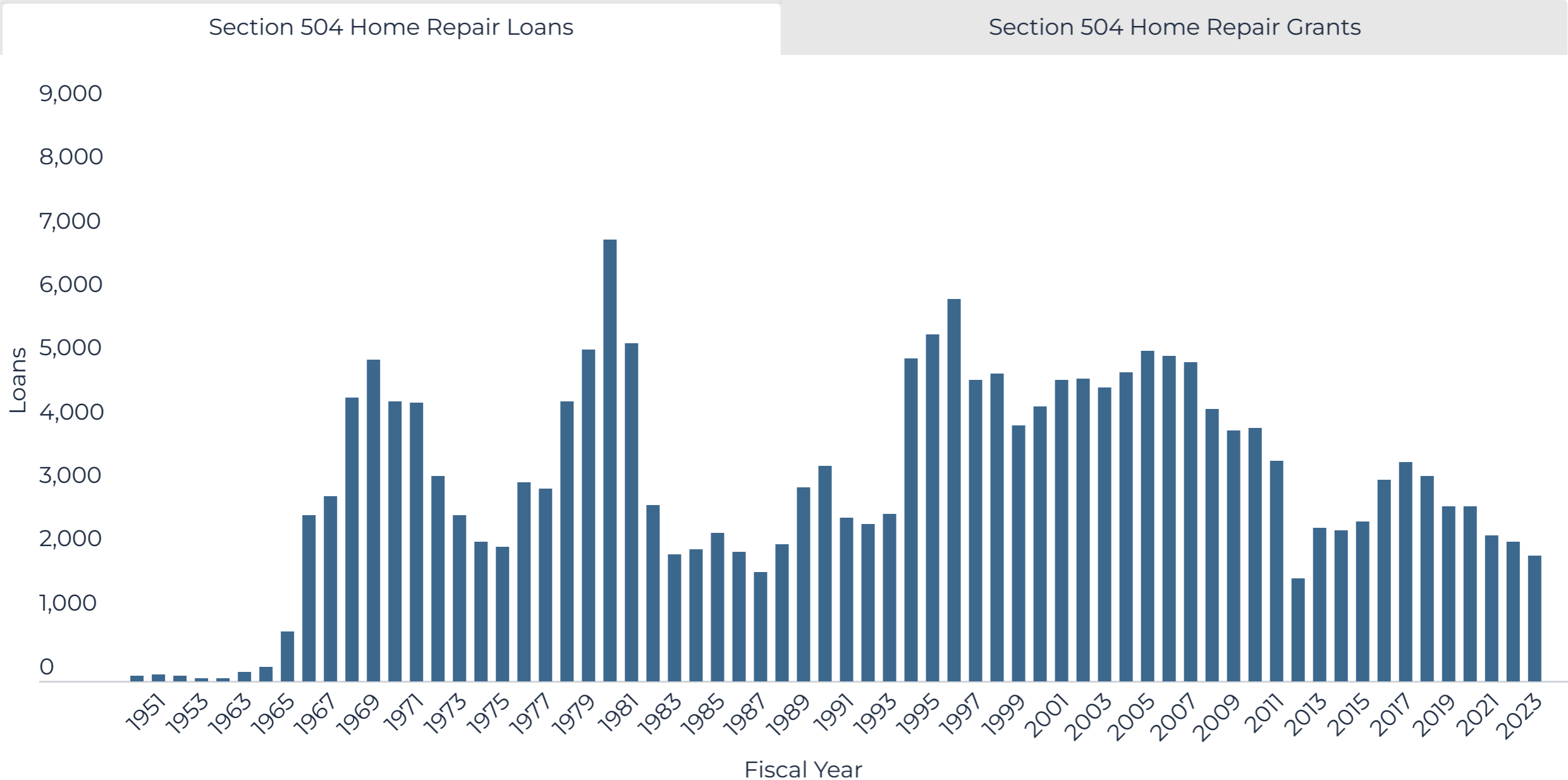
Fiscal Years 1950-2023



Source: Housing Assistance Council Tabulations of USDA Data

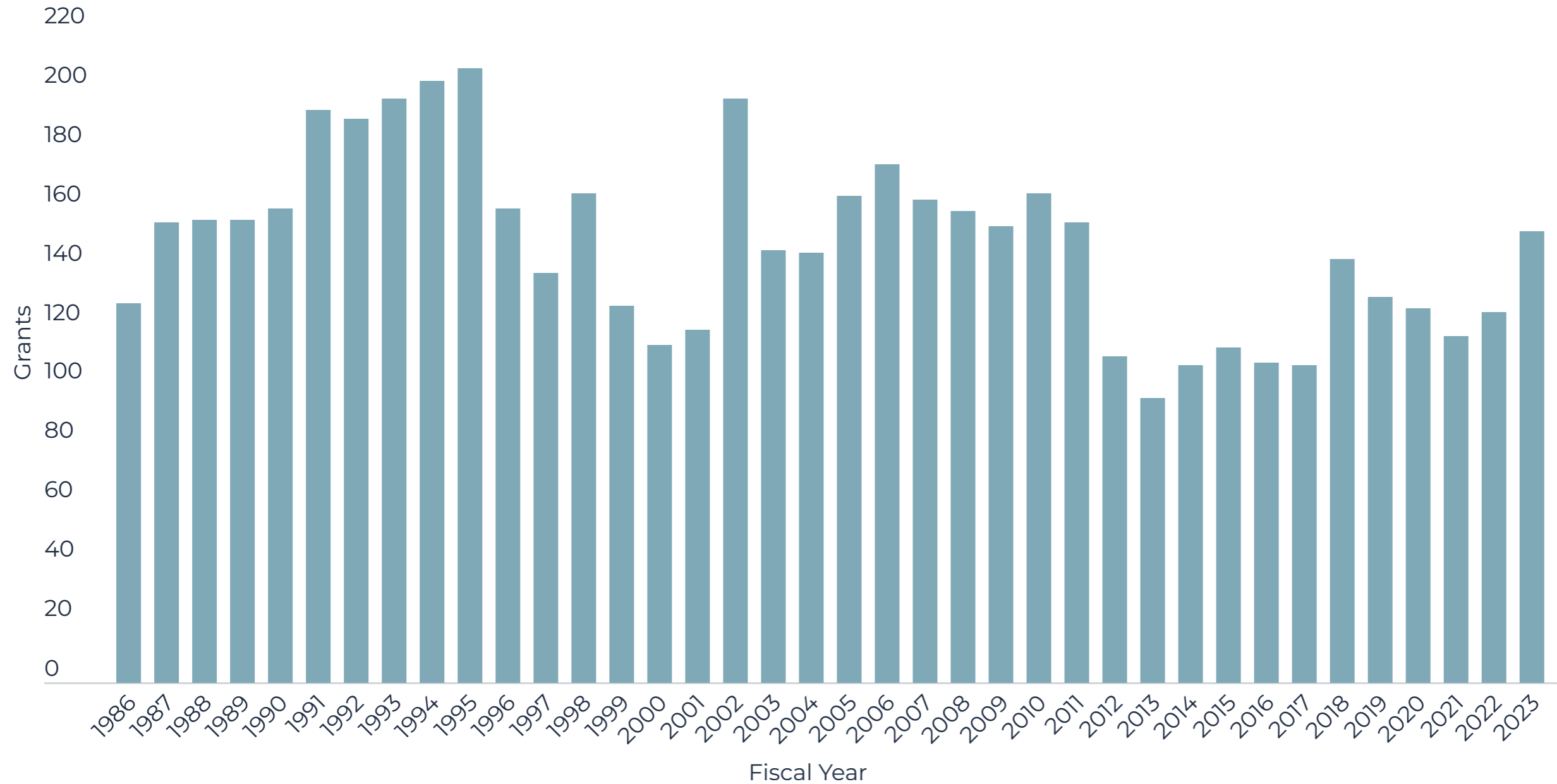
USDA Section 504 Home Repair and Rehabilitation Loans & Grants

Fiscal Years 1950-2023



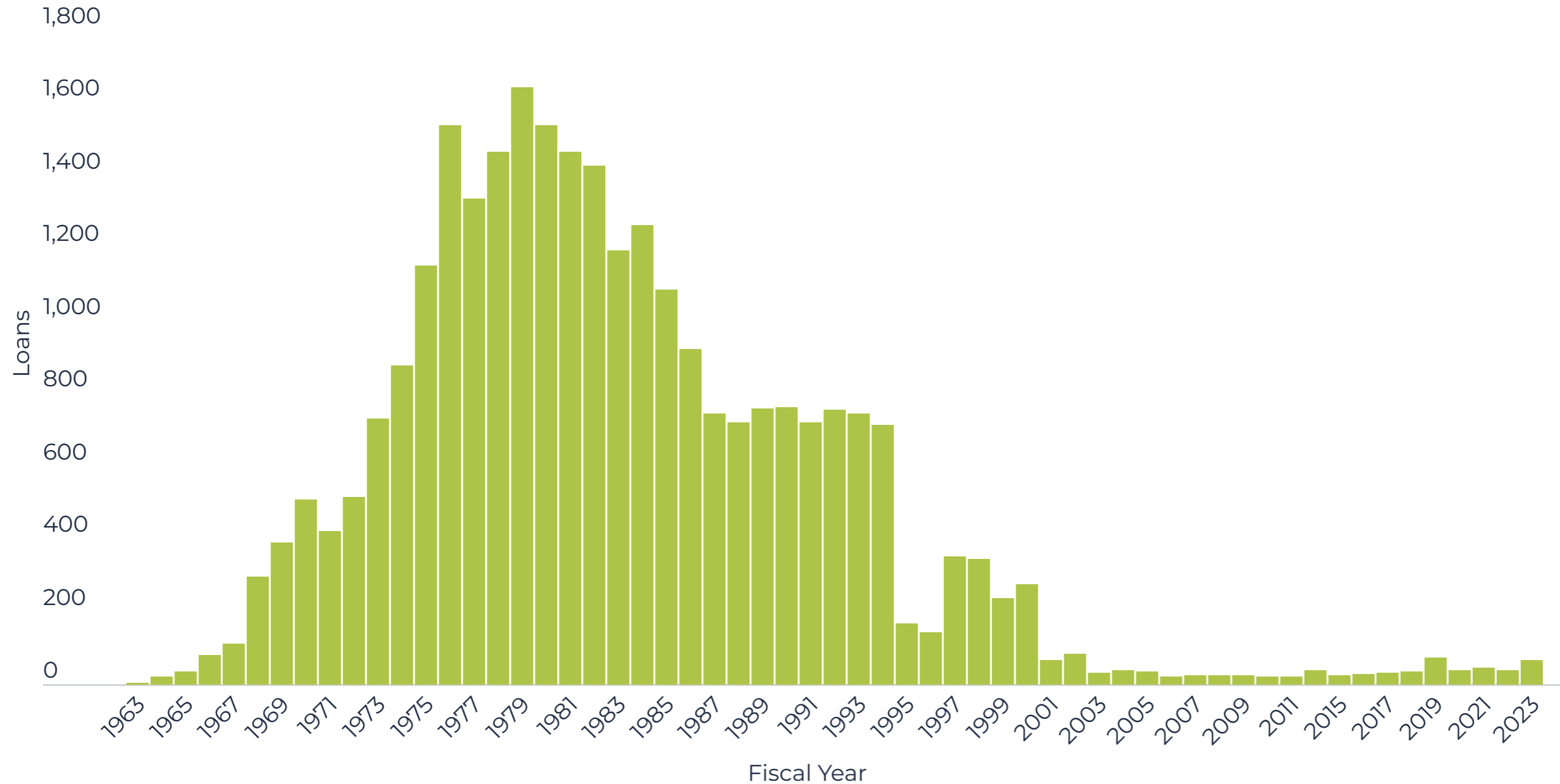
Source: Housing Assistance Council Tabulations of USDA Data

USDA Section 533 Home Preservation Grants Fiscal Years 1986-2023



Source: Housing Assistance Council Tabulations of USDA Data

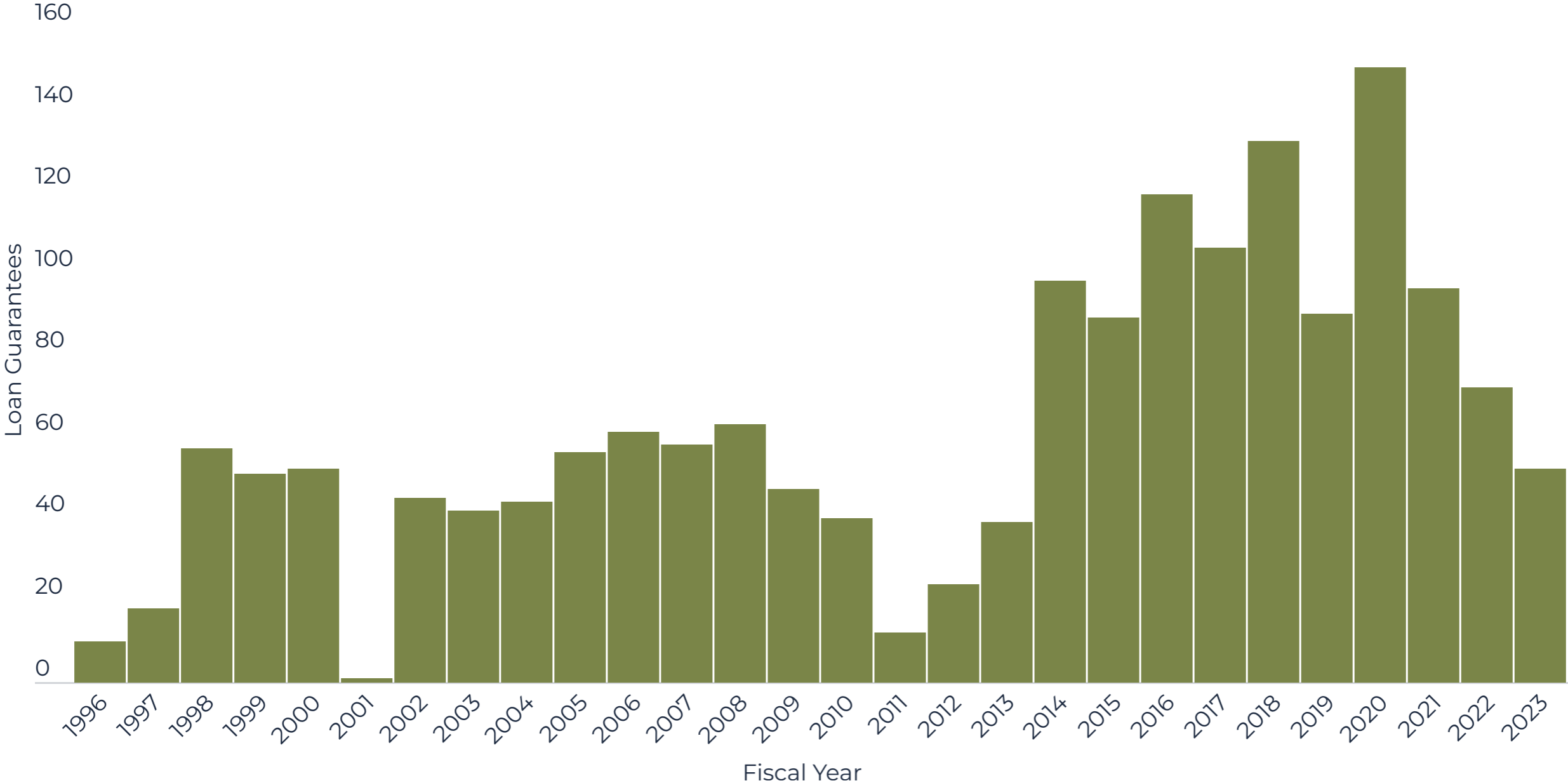
USDA Section 515 Rural Rental Housing Loans Fiscal Years 1963-2023



Source: Housing Assistance Council Tabulations of USDA Data

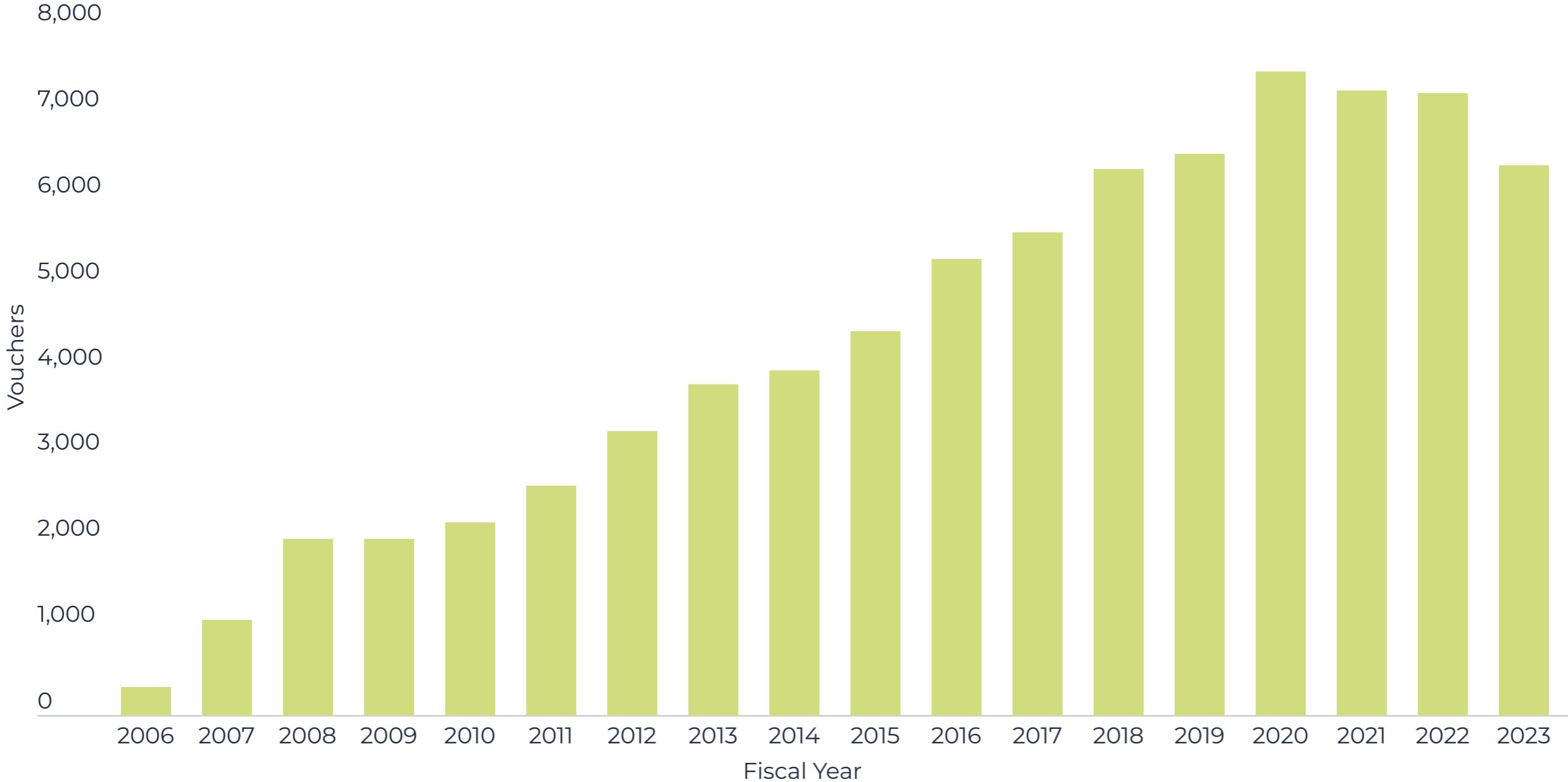
USDA Section 538 Rural Rental Housing Loan Guarantees

Fiscal Years 1996-2023



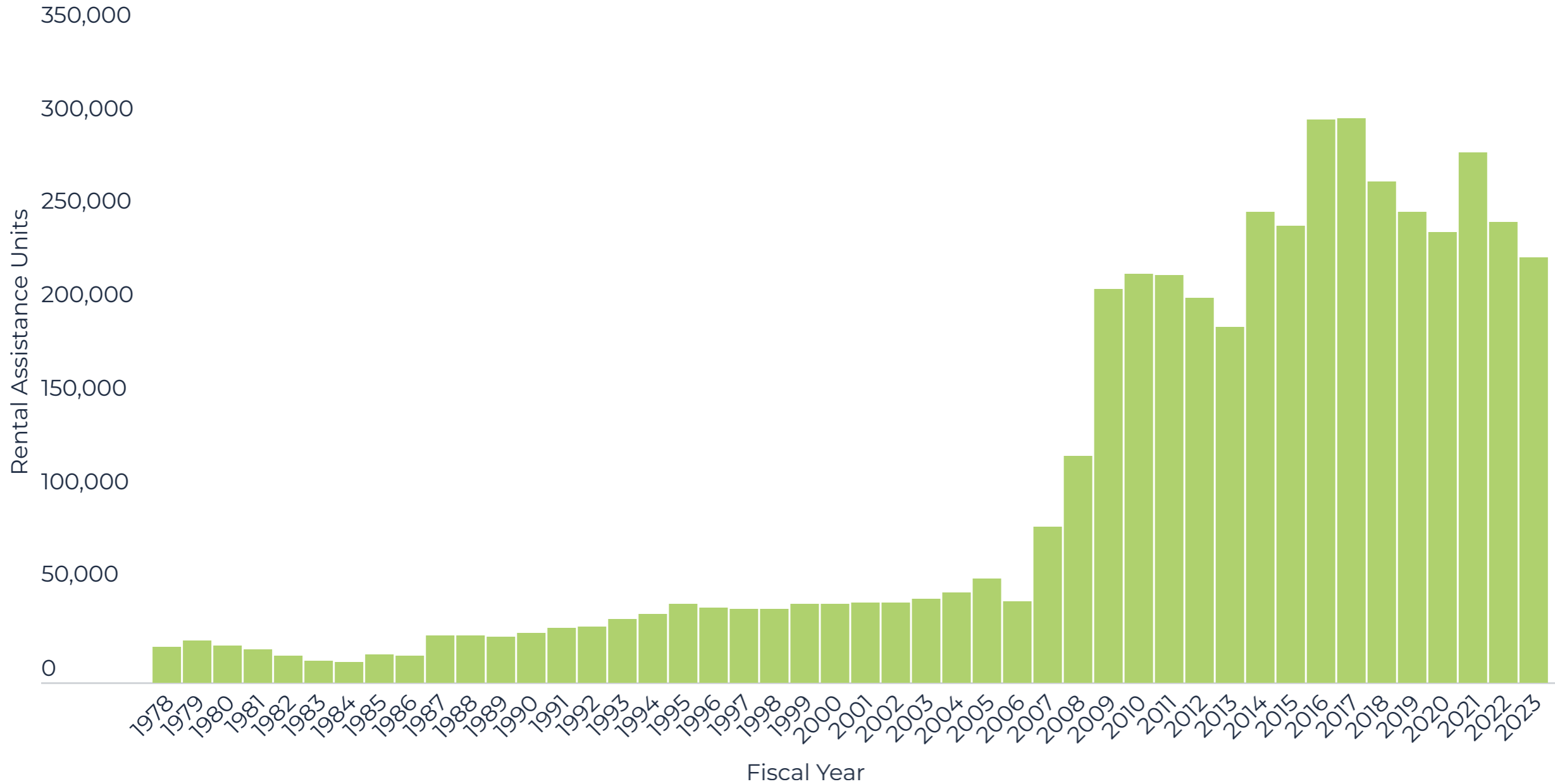
Source: Housing Assistance Council Tabulations of USDA Data

USDA Section 542 Multifamily Housing Vouchers Fiscal Years 2006-2023



Source: Housing Assistance Council Tabulations of USDA Data

USDA Section 521 Rental Assistance Fiscal Years 1978-2023



Source: Housing Assistance Council Tabulations of USDA Data

ABOUT THE DATA

The USDA Rural Development (RD) Year-End Housing Report presents fiscal year rural housing program loan and grant funding activities for most USDA housing programs at the state and national level. These figures derive from HAC tabulations of USDA-Finance Office reports. Most of the data comes from the USDA Rural Development “Report Code (RC) 205– Report of Loan and Grant Obligations, Vouchers, Allotments or Distributions.” The RC 205 report summarizes the number and dollar amount of the agency’s fund obligations by program and by state.

Loan, grant, and expenditure obligation data in this report is based on the fiscal year-end (September 30, 2023) reports. Agency adjustments or corrections to the data after that date are typically not provided to HAC and therefore not available.

The USDA Rural Development Year-End Housing Report is produced by the Housing Assistance Council (HAC), 1828 L Street, NW, Suite 505, Washington, DC 20036. For questions or comments about the report, please contact Lance George at 202-842-8600 or lance@ruralhome.org.

For additional information about USDA Rural Housing programs, contact the Rural Development National Office, USDA Rural Development, Mail Stop 0701, 1400 Independence Avenue SW, Washington, DC 20250-0701, or visit USDA's [Single Family or Multifamily sites](#).

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