



Senate Committee approves bill to hold funds steady for many HUD programs in FY17. S. 2844 would keep the HOME program at \$950 million and SHOP at \$10 million, would increase

Section 202 and voucher funds, and would decrease amounts for homelessness programs and Native American housing. The Appropriations Committee declined to accept the Administration’s proposal to eliminate the HOME set-aside for CHDOs. The full Senate is likely to take up the bill sometime in May.

HUD Program (dollars in millions)	FY15 Approp.	FY16 Approp.	FY17 Budget Proposal	FY17 Senate Cmte. Bill S. 2844
Cmty. Devel. Fund	3,066	3,060	2,880	3,000
CDBG	3,000	3,000	2,800	3,000
HOME	900	950	950	950
Self-Help Homeownshp. (SHOP)	10	10	10 ^a	10
Tenant-Based Rental Assistance	19,304	19,628	20,854	20,432
VASH setaside	75	60	7 ^c	57
Project-Based Rental Assntce.	9,330	10,622	10,816	10,901
Public Hsg. Capital Fund	1,875	1,900	1,865	1,925
Public Hsg. Operating Fund	4,440	4,500	4,569	4,675
Choice Neighbrhd. Initiative	80	125	200	80
Native Amer. Hsg. Block Grant	650	650	700	647
Homeless Assistance Grants ^b	2,135	2,250	2,664	2,330
Hsg. Opps. for Persons w/ AIDS	330	335	335	335
202 Hsg. for Elderly	436	432.7	505	505
811 Hsg. for Disabled	135	150.6	154	154
Fair Housing	65.3	65.3	70	65
Healthy Homes & Lead Haz. Cntl.	110	110	110	135
Housing Counseling	47	47	47	47
Local Housing Policy Grants	-	-	300 ^d	-

a. The FY17 Administration budget, like past budget requests, proposes to make SHOP a setaside in HOME. Congress has consistently rejected that proposal. b. Includes the Rural Housing Stability Program, which is not yet operational. c. The FY17 budget proposes \$7 million for a tribal VASH setaside. d. Proposed as mandatory spending.

House’s USDA spending bill would require 10-20-30 targeting. Section 750 of H.R. 5054, the House FY17 funding bill for USDA (see *HAC News*, 4/20/16), would mandate at least 10 percent of RD spending be allocated to counties with 20% or higher poverty levels over 30 years (the 1990, 2000, and 2010 Censuses). At a February 11 House committee hearing on USDA’s budget, Agriculture Secretary Tom Vilsack said the programs already exceed that amount.

Rural rental preservation bills introduced. On April 12 Rep. Ann Kuster (D-NH) and Sen. Jeanne Shaheen (D-NH) introduced H.R. 4908 and S. 2783. The bills would “decouple” Section 521 Rental Assistance from Section 515 mortgages so RA can continue after a mortgage matures, make USDA Section 542 vouchers available to tenants in properties whose mortgages mature, authorize the MPR program (currently a demonstration), and require uniform terms for purchasers using tax credits. Neither bill is scheduled for committee action yet.

RD explains new Rental Assistance calculations. An Unnumbered Letter dated March 18, 2016 describes the new “Obligation Tool” that is being used in FY16 to calculate RA contract renewals for each property based on a weighted average of that property’s usage rate over the preceding 12 months. Contact a USDA RD state office.

Mortgage disclosures updated for Section 502 direct. USDA RD’s Procedure Notice (PN) 485 updates RD’s Handbook 1-3550 to implement the provisions of the TILA-RESPA Integrated Disclosure rule. Changes impact loan processing and supporting documentation requirements. Contact a USDA RD field office.

Amendments issued to regulations for Section 502 guaranteed. USDA’s changes expand lender indemnification authority, add a new refinance option called “streamlined-assist,” and incorporate the CFPB’s Qualified Mortgage definition. Contact Lilian Lipton, RD, 202-260-8012.

Register for notice of calls on Section 538 program. RD will continue holding periodic calls or web meetings with stakeholders about the Section 538 guaranteed rental housing program. To receive notices when calls are scheduled – even if you registered for these calls in the past – contact Monica Cole, USDA, 202-720-1251.

HUD to test new inspection process for voucher housing. Congressional report language for HUD’s FY16 appropriations told HUD to implement a single inspection protocol for public housing and voucher units. Comments are due July 5 on a proposal for the first step towards that change, a demonstration designed to test a new method of assessing the physical condition of housing assisted by HUD vouchers. Contact Daniel R. Williams, HUD, 202-475-8586.

Distribution of Housing Trust Fund dollars announced. HUD divided \$174 million among the 50 states, D.C., Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands. These entities must now include public participation in developing their own allocation plans, guided by HUD Notice CPD-16-07. The National Low Income Housing Coalition has developed a model allocation plan.

USDA RD updates lead paint guidance. Administrative Notice 4800 offers guidance to RD staff on implementing an amended EPA rule. Contact a USDA RD field office.

Annual Adjustment Factors for Section 8 released. Details are online. Contact a HUD office.

GAO recommends changes in USDA’s risk management for Section 502 guarantee program. Rural Housing Service: Actions Needed to Strengthen Management of the Single Family Mortgage Guarantee Program (GAO-16-193) discusses USDA’s process for estimating program costs and how well its policies and procedures match OMB’s standards for managing credit programs. GAO found USDA was consistent with most OMB standards and suggested making changes to become consistent with the others.

Join HAC on May 18 for “Serving our Aging Veterans.” HAC’s third annual veterans symposium, to be held in Washington, DC, will focus on housing, health, and other needs faced by the rapidly expanding population of older veterans. There is no charge for the event, but advance registration is required. For more information, contact Janice Clark, HAC, 202-842-8600, or Shonterria Charleston, HAC, 404-892-4824.

Housing Assistance Council

1025 Vermont Ave N.W., Ste 606, Washington, DC 20005

P: (202) 842-8600 | F: (202) 347-3441 | www.ruralhome.org | hac@ruralhome.org

